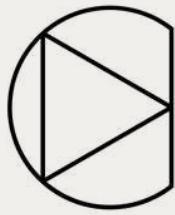


Updated 2024-05-13



CAPTOR

# Prospectus

2024



## **Contents**

- General information about the prospectus
- About the Fund Company
- General information regarding the funds
- Share classes and fees
- About Captor Iris Bond
- About Captor Scilla Global Equity
- About Captor Dahlia Green Bond
- About Captor Aster Global Credit
- About Captor Aster Global Credit Short-Term
- About Captor Aster Global High Yield
- About Captor Perenne Short-Term Bond
- About Captor Global Fixed Income
- Appendix: Pre-contractual disclosure for the financial products

THIS ENGLISH VERSION IS A COPY OF THE ORIGINAL IN SWEDISH PUBLISHED  
MAY 03 2024, AND FOR INFORMATION PURPOSES ONLY. IN CASE OF ANY DIS-  
CREPANCY, THE SWEDISH ORIGINAL SHALL PREVAIL.

## **General information about the prospectus**

The funds are managed by Captor Fund Management AB with Corporate identity number 559051-3189 (the "Management Company").

The prospectus has been prepared in accordance with the Investment Funds Act (2004: 46) ("IFA"), Finansinspektionen's regulations and general guidelines (FFFS 2013: 9) regarding Swedish Ucits, the Alternative Investment Funds Act (2013: 561) ("AIFA") and Finansinspektionen's regulations and general guidelines (FFFS 2013: 10) regarding Swedish Alternative Investment Fund Managers. This document and the fund provisions together constitute the prospectus.

The Management Company has produced a Key Investment Information Document for each fund which constitutes a separate document and is provided free of charge at [www.captor.se/fonder](http://www.captor.se/fonder).

It is the responsibility of anyone who considers investing in the Management Company's funds to ensure that the investment is made in accordance with applicable laws and other regulations, both Swedish and foreign.

Foreign law may prohibit an investment made by investors outside of Sweden.

The Management Company has no responsibility to verify if an investment from abroad takes place in compliance with the law of such a country. Disputes or claims concerning the Management Company's funds shall be settled in accordance with Swedish law and exclusively by Swedish courts.

Historical returns are no guarantee of future returns. Investments in the Management Company's funds can both increase and decrease in value, and it is not certain that those who invest in these will regain all the invested capital.

This prospectus should not be regarded as a recommendation for the purchase of shares in the Management Company's funds. The Management Company does not provide such financial advice as is referred to in the Act (2003: 862) on financial advice to consumers. It is the sole responsibility of anyone who wishes to acquire shares to do their own assessment of an investment in the Management Company's funds and the associated risks.

# **About the Fund Company**

## **THE MANAGEMENT COMPANY**

Name: Captor Fund Management AB

Address: Drottninggatan 32, 111 51 Stockholm

Corporate identity number: 559051-3189

Founded: 2016

Share Capital: 1 500 000 kr.

Supervisory Authority: Finansinspektionen ("FI")

Headquarter: Stockholm

Telephone: +46 8 701 01 00

## **OWNER**

Captor Holding AB owns 100% of the Management Company's share capital.

Corporate identity number: 559051-3189

## **BOARD OF DIRECTORS**

Anders Råge, chairman

Sten Schröder

Lars Lövgren

## **OTHER KEY PERSONNEL**

Fredrik Edlund, Chief Executive Officer

Daniel Karlgren, Chief Investment Officer

Anders Bruzelius, Head of Risk

Björn Wendleby at Harvest Advokatbyrå, regulatory compliance

## **COMPLAINTS MANAGER**

If a shareholder or client for any reason is not satisfied, it is important to contact the Management Company as soon as possible to share your complaint.

Complaints Manager: Björn Wendleby

Telephone: +46 70 325 23 29

Email: bjorn.wendleby@harvestadvokat.se

Address: Engelbrektsplan 1

Box 7225

103 89 Stockholm

## **AUDITOR**

The Management Company's auditor is Peter Nilsson at PricewaterhouseCoopers AB.

## **THE MANAGEMENT COMPANY'S OPERATING LICENSES**

The Management Company is an authorized alternative investment fund manager, which also holds the following operating licenses:

- UCITS-management
- Discretionary portfolio management regarding financial instruments
- Safekeeping and administration in relation on shares of collective investment undertaking
- reception and transmission of orders in relation to financial instruments
- License to receive client funds with an accounting obligation
- Provide investment advice regarding financial instruments

## **DEPOSITORY**

Swedbank AB (publ.)

Registration number: 502017-7753

The Company headquarters: Landsvägen 40, 172 63 Sundbyberg, Stockholm.

Swedbank AB (publ.) is a Swedish full range bank with a license granted by FI.

The Depositary shall, among other things, monitor the fund's cash flows, keep registry of the fund's assets, and execute the Management Company's instructions. Furthermore, the Depositary shall ensure that subscription and redemption of fund shares, valuation of fund shares and use of the fund's assets is executed in accordance with law and the fund rules.

Swedbank AB (publ) has commissioned State Street Bank International GmbH, to act as sub custodian for securities held outside Sweden. Swedbank AB (publ) has routines in order to identify, manage, monitor and report any conflicts of interest. As the Depositary service is part of Swedbank AB, conflicts of interest may arise

between the Depositary's operations and other operations within Swedbank AB and its subsidiaries.

The Depositary has a legal obligation to identify and manage such conflicts of interest and to report the conflicts of interest to the fund's investors. Examples of activities that may involve conflicts of interest are:

- Providing nominee registration, performing fund administration, establishing shareholder registry, analysis, securities loan management, asset management, investment advisory and/or other advisory services to the fund.
- Participation in banking, securities trading including currency trading, derivatives trading, lending, brokerage, market making or other financial transactions with the fund, either for own account or on behalf of other clients.

In order for potential conflicts of interest not to adversely affect the fund and its investors, the Depositary and other operations within Swedbank AB are functionally and organisationally separated. The Depositary's operations are always managed on the basis of safeguarding the interests of fund shareholders and in accordance with current market conditions.

## **TRANSFER AGENT**

Swedbank AB (publ.)

Registration number: 502017-7753

Telephone: +372 888 2336

E-mail: [transferagent@swedbank.se](mailto:transferagent@swedbank.se)

The Transfer Agent keeps the funds' share holder register. Furthermore, the Transfer Agent issues new shares upon subscription and handles the redemption of shares.

## **DISTRIBUTORS**

The Management Company has signed a distribution agreement with the following distributors:

- MFEX
- Avanza
- Nordnet
- Swedbank
- Allfunds

## **OTHER OUTSOURCED SERVICES**

The Management Company has outsourced the internal audit function to KPMG. The Management Company has also signed an agreement on data storage with Ironstone AB.

## **PROFESSIONAL LIABILITY RISKS**

In accordance with chapter 7, section 5 AIFA, the Management Company has chosen to cover professional liability risks with a liability insurance against liability for damages. The Management Company continuously analyzes/calculates the coverage requirement in accordance with Article 14 (2) of Commission Regulation no. 231/2013.

# **GENERAL INFORMATION REGARDING THE FUNDS**

## **THE MANAGEMENT COMPANY MANAGES THE FOLLOWING FUNDS:**

- Captor Iris Bond (UCITS)
- Captor Scilla Nordic Equity (UCITS)
- Captor Scilla Global Equity (UCITS)
- Captor Dahlia Green Bond (UCITS)
- Captor Aster Global Credit (UCITS)
- Captor Aster Global Credit Short-Term (UCITS)
- Captor Aster Global High Yield (UCITS)
- Captor Perenne Short-Term Bond (UCITS)

## **LEGAL CONSEQUENCES OF INVESTING IN A FUND**

The Management Company's funds are regulated by IFA (UCITS) and AIFA (Non-UCITS). The funds cannot acquire rights or assume obligations or bring proceedings before a court or other authorities.

Assets that are included in the funds may not be forfeited and the shareholders will not be liable for obligations related to the funds.

The Management Company represents the shareholders in matters relating to the funds, decides on the assets that constitutes the fund holdings and exercises the rights arising from the fund.

## **EQUAL TREATMENT PRINCIPLE**

The fund assets are jointly owned by its shareholders and each share in a share class entails equal rights to the property included in the fund. If the fund consists of share classes, this means that the value of a fund share in one share class will differ from the value of a fund share in another share class.

Share classes that are currency hedged are continuously attributed the result of such hedging.

The Management Company ensures that all shareholders are treated equally through well-trained staff, the necessary technical systems and through inspections by independent inspection bodies.

## **FEES**

The Management Company imposes a management fee on each fund. Custody fees regarding the fund's securities and transaction related fees in securities is also charged to each fund.

Information on the funds' total costs is provided in each fund's annual report.

Information on the shareholder's share of the costs is provided in the annual statement.

The term "On-going charges" are used in the Key Investor Information Document for the funds. The On-going charges are the sum of management costs, interest costs and other costs, but excluding transaction costs during the year calculated on average fund value.

Further information on fees can be found under each fund.

## **GENERAL INFORMATION ABOUT SUBSCRIPTION AND REDEMPTION**

Subscription and redemption of fund shares can be executed for most of the Management Company's funds every Swedish banking day through Transfer Agent or a distributor. If subscription and redemption is made via Transfer Agent, the latest time for requests of is 14.00, except for the institutional share classes where the latest time is 10.00. However, the funds are not open for subscription and redemption on such banking days as the valuation of the funds' assets cannot be made in a way that ensures the equal rights of the shareholders as a result of one or more of the markets in which the funds trade are disrupted or closed.

Requests for redemption may only be withdrawn if the Management Company allows it. Subscriptions and redemptions take place at the price calculated on the day of subscription and redemption, respectively.

Subscription and redemption of fund shares takes place at a price that is unknown to the shareholder at the time of the request for subscription and redemption. Information on the most recently calculated price for Fund shares is provided by the Management Company. fund shares must be redeemed on request if funds are available in the fund. If this is not the case, funds must be acquired by disposal of the fund's assets and redemption will be carried out as soon as possible. Should such a disposal adversely affect the interests of other shareholders, the Management Company may delay the disposal after reporting the event to the Swedish Financial Supervisory Authority.

Subscription and redemption via Transfer Agent is primarily intended for Distributors and custodians. The public is recommended to subscribe and redeem the funds via a Distributor. The Management Company also administers subscription and redemption of the funds via direct registration in the shareholder register on behalf of legal entities.

## **ESPECIALLY ON SUBSCRIPTION AND REDEMPTION IN CERTAIN SHARE CLASSES**

In order to protect shareholders against the effect of market impact upon subscription or redemption, the fund may charge a fee of 2% in the share classes that require the first minimum investment of at least SEK 10,000,000 or EUR 1,000,000. An investor who chooses to bear his own transaction costs and costs of market impact avoids the fee. More information can be found under the respective fund rules.

## **CURRENCY HEDGED SHARE CLASSES**

For the share classes that are stated as currency hedged, an ongoing hedging of currency exposure is made into the currency of the share class. This is preferably done via FX forwards and FX swaps. In equity funds, the currency exposure is not allowed to exceed +/- 5%, while the corresponding tolerance is +/- 2% for fixed income funds.

## **RISK AND RISK INDICATOR**

The risk in the funds is graded on a seven-point scale (see below under each fund) where 1 represents the lowest risk and 7 the highest risk. Category 1 does not mean that the fund is risk-free. The calculation of the risk indicator is common to all EU Member States in accordance with Commission Regulation (583/2010 / EC) concerning basic facts for investors.

The risk category is calculated with data from the last five years. For those funds that do not have a five-year history, the risk indicator has been calculated on the basis of pro forma history. Past performance may be an unreliable measure of the fund's future risk/return profile.

Each fund's rating on the risk scale can be found in the fund-specific information in this prospectus and in the fund's Key Investor Information Document.

The risks to which the funds are exposed that are not captured by the described risk indicator are also stated under each fund-specific part of this prospectus. The risks are defined as below.

Credit risk: Credit risk is defined as the risk of loss due to a counterparty or issuer not being able to meet its financial obligations.

Counterparty risk: Counterparty risk is a form of credit risk. Counterparty risk refers to the risk that the counterparty in a transaction cannot fulfill its obligations to pay for or deliver agreed securities or financial instruments.

Market risk: Market risk is defined as the risk of a loss due to changes in the market value of holdings in the fund as a result of changed market variables, e.g. interest rates, exchange rates, share prices or an issuer's creditworthiness in the form of changed credit spreads.

Liquidity risk: Liquidity risk consists of the risk that a position cannot be sold or bought at a limited cost within a reasonable time when the need arises. Needs may arise through subscription and redemption in the fund, margin requirements regarding hedged derivative transactions or securities financing transactions and in cases where expected payments are absent or delayed.

The liquidity risk in a position is affected by, among other things, the nature of the instrument, the existence of market and clearing functions, outstanding trading volume and the number of participants in the market.

Operational risks: Operational risk refers to the risk of loss due to a lack of internal routines regarding personnel and systems at the Management Company or external factors, both legal and documentation-related risks, and also risks as a result of trading, settlement and valuation routines. The financial damage may consist of a loss or loss of profit, loss of reputation and/or damaged confidence in the business.

## **ABOUT SECURITIES FINANCING**

All assets permitted in the funds may be subject to securities financing transactions in the form of repurchase agreements, securities loans, or total return swaps. funds have the opportunity to use such transactions to the extent permitted by law.

Shareholders can expect that the proportion of assets under management that will be the subject of such transactions will vary depending on the market situation and needs. The funds use securities financing primarily for the purpose of minimizing the need for cash and cash equivalents as a buffer for margin requirements and preparedness for late payments.

All income and expenses from the use of securities financing are reimbursed by and accrue to the fund.

## **USE OF DERIVATIVE INSTRUMENTS**

Derivative instruments are used in the management for several different reasons, such as:

- As a direct consequence of the fund's investment policy.
- Currency hedging in the form of FX forwards, FX options and FX swaps.
- As a substitute for direct investment in equities and bonds, it can be more effective to achieve the same exposure via total return swaps and credit derivatives.
- Create leverage via total return swaps and forwards.
- Create a desired adjustment to the fund's risk profile.
- Total return swaps can be used as a substitute for securities loans.

All derivatives trading, both against a central clearinghouse and bilaterally, is executed using daily margining in order to keep the counterparty exposure to a minimum.

The margining routine compares valuations of derivative instruments between the counterparty and the Management Company's own valuation on a daily basis, which both increases the validity of the fund's valuation and contributes to reduced operational risks.

When derivative instruments are traded under collateral agreements, market risk will be directly linked to liquidity risk via margin requirements.

The indirect exposure to underlying assets in derivative contracts is included in the calculation of risk per issuer and is limited by spread requirements according to IFA.

The general market risk via derivative instruments is limited by combining it with other holdings in the calculation of general market risk.

The Management Company has adopted guidelines for execution of portfolio transactions and placement of orders, where criteria are stated for selection of counterparties. Counterparty selection must always take place in order to achieve the best possible conditions for the fund.

The use of derivative instruments in management is subject to the Management Company's "Policy for Derivative, Repurchase Agreements, Securities Lending Agreements and Collateral Management", in accordance with ESMA's guidelines (ESMA/2014/937) and the European Parliament and Council Regulation (EU 2015/2365). The policy complements this information and can be read at [www.captor.se/legal](http://www.captor.se/legal).

## **THE FUND'S USE OF REPURCHASE AGREEMENTS AND SECURITIES LENDING**

The funds use techniques and instruments that relate to transferable securities and money market instruments in order to streamline the management of the assets in a mutual fund in accordance with chapter 5, section 1 first paragraph IFA. This means that the fund trades in repurchase agreements (so-called repos) and securities loans. The purpose can be both liquidity management and lending of securities in exchange for compensation.

Securities loans are always traded against collateral so as not to expose the fund to counterparty risk. Total return swaps in combination with an exchange of assets corresponding to the underlying reference of the swap can be used as a substitute for repurchase agreements or securities loans. Where applicable, these techniques are treated equally.

Lent securities are transferred to the counterparty and received cash is kept in an account with the fund's custodian or reinvested in such safe assets as permitted

by the Management Company's " Policy for Derivative, Repurchase Agreements, Securities Lending Agreements and Collateral Management".

## **COLLATERAL MANAGEMENT**

When the fund enters transactions in derivative instruments and uses techniques for streamlined securities management, the fund shall, at all times, follow the Management Company's "Policy for Derivative, Repurchase Agreements, Securities Lending Agreements and Collateral Management". Acceptable collateral in accordance with the Management Company's policy must, if it does not consist of cash and cash equivalents, be characterized by high liquidity, be able to be valued daily and be diversified. For each type of asset, an appropriate impairment strategy (haircut policy) is applied depending on the asset's liquidity and volatility. Collateral that does not consist of cash and cash equivalents may not be sold, reinvested, or pledged. For securities loans, its market value must, according to the applied impairment strategy, be at least 100 percent of net counterparty exposure. The fund has the opportunity to claim the collateral received at any time without the approval of the counterparty.

## **INFORMATION ON RENUMERATION, EARNINGS AND PERFORMANCE**

For information on the size of remuneration paid to the Management Company and the Depositary, as well as on the respective fund's earnings and performance, reference is made to the funds' annual reports and half-yearly reports.

## **RESPONSIBLE INVESTMENTS**

The Management Company strives to maintain long-term work with responsible investments in fund management. Investing responsibly means considering environmental, social, and corporate governance issues, but also issues related to sustainability, social conditions, human rights, working conditions and anti-corruption. The method of management varies, among other things, depending on the type of asset and the fund's focus. This prospectus contains the information needed to understand each fund's management with regards to sustainability. In cases where the Management Company does not have the opportunity to apply active sustainability work in any part of the management, this is mentioned for continued transparency.

The Management Company has signed and follows the UN-supported initiative PRI (Principles for Responsible Investment). More information about the Management Company's work with responsible investments can be found on the website and in the "Policy for Responsible Investments". [www.captor.se/hallbarhet/](http://www.captor.se/hallbarhet/).

Information about the Management Company's ongoing work with responsible investments can be found on the website and in the annual reports. Follow-

up of the funds' sustainability work can be found in each fund's annual report. The information presented in accordance with Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR) is presented as an appendix at the end of this document.

## **GENERAL SUSTAINABILITY INFORMATION**

Sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

All investments the funds must undergo a screening, which excludes companies and activities with high environmental, social, or governance-related risks. The following thresholds are set to reduce sustainability risks in the funds.

Cluster bombs, landmines: 0% Chemical and biological weapons: 0% Nuclear weapons: 0% Weapons and/or war materials: 5% Alcohol: Production 5% Tobacco: Production 5% Fossil fuels: 5%\* Gambling: Operations & activities 5%, Custom equipment/accessories 5% Pornography: Production 5% Sustainalytics Global Standards Screening\*\*: Compliant or Watchlist

<sup>\_</sup>\*Not applicable to Captor Dahlia Green Bond. See the fund's specific sustainability risk management for more information.

<sup>\_</sup>\*\* The fund company uses Sustainalytics as an external provider of ESG data. Their Global Standard Screening is based on compliance with the UN Global Compact, OECD guidelines for multinational enterprises, and the UN's labor rights principles (ILO).

Holdings are screened both before and after an investment to ensure that no companies exceed the established thresholds or are reclassified as non-compliant. Furthermore, all investments must adhere to the responsible investment policy and cannot be in countries on the EU's or UN's sanctions lists.

## **TAX**

Below is a summary and general description of the rules that apply to the taxation of the funds and its shareholders who are tax resident in Sweden. In view of the general nature of the petition, each investor should consult tax advisers on the specific tax issues that may arise.

### **Taxation of funds**

Since 2012, funds do not pay tax on their income. However, funds pay withholding tax on dividends they receive on their foreign shareholdings. Withholding tax varies between countries. Due to, among other things, the fact that there is

legal uncertainty about the application of double taxation agreements and developments within the EU in the tax area, withholding tax can be both higher and lower than the preliminary withholding tax deducted when the dividend is received.

## **Taxation of Shareholder**

Below is a description of the rules that apply if you directly own the funds. Other rules apply to savings in Individual Savings Accounts or endowment insurance.

Swedish fund shareholders pay income tax partly on annual standard income which is calculated on the value of the fund shares at the beginning of the year, partly on earnings and any dividends received.

A standard income of 0.40% is calculated on the value of the fund holding. This amount is then taxed as capital gains at 30%. For corporates, the standard income in the income category business activities is currently taxed at 22%. Calculations and reporting is provided for individuals and Swedish deceased persons, while corporates themselves may calculate the standard income and pay tax. The tax can be affected by individual circumstances and those who are unsure of any tax consequences should seek expert help.

## **RENUMERATION POLICY**

The Management Company's Board of Directors has adopted a remuneration policy that is compatible with and promotes sound and efficient risk management. The remuneration policy is designed to counteract risk-taking that is incompatible with the risk profiles of the funds managed by the Management Company. Furthermore, the remuneration policy shall counteract excessive risk-taking and stimulate employees to deliver sustainable performance at any given time, as well as sound and efficient risk management for the shareholders, the Management Company and the funds managed by the Management Company. Information on the Management Company's current remuneration policy is available at [www.captor.se](http://www.captor.se). A hard copy of the information can be obtained free of charge upon request, please contact the Management Company.

## **TERMINATION OF THE FUNDS OR TRANSFER OF FUND OPERATIONS**

The funds may be terminated or transferred if the Management Company's Board of Directors decides to that effect or if the Depositary, after taking over the management of the funds, decides to do so. The Depositary shall take over the management of the funds if the Management Company's Board of Directors has decided to cease management, if FI has revoked the Management Company's permit, if the Management Company has entered liquidation or has been declared bankrupt. For transfer, FI's approval is required. If a fund

terminates, the shareholder will be notified in writing at least three months before the change takes effect.

## SHARE CLASSES AND FEES

Name of Fund and Share Class		Minimum first Currency subscription	Management Fee	Subscription and redemption fee	Other
Equity funds					
Captor Scilla Global Equity B	SEK	100	0,750%	0	
Captor Scilla Global Equity C	SEK	10 000 000	0,375%	0% - 2%	
Captor Scilla Global Equity D	EUR	10	0,750%	0	
Captor Scilla Global Equity E	EUR	1 000 000	0,375%	0% - 2%	
Captor Scilla Global Equity F	NOK	100	0,750%	0	
Captor Scilla Global Equity G	NOK	10 000 000	0,375%	0% - 2%	
Captor Scilla Global Equity H	DKK	100	0,750%	0	
Captor Scilla Global Equity I	DKK	10 000 000	0,375%	0% - 2%	
Captor Scilla Global Equity J	SEK	10 000 000	0,375%	0% - 2%	Dividend paying
Captor Scilla Global Equity K	SEK	100	0,425%	0	Special terms on distribution
Credit funds					
Captor Dahlia Green Bond A	SEK	100	0,600%	0	
Captor Dahlia Green Bond B	SEK	1 000 000	0,400%	0	

Name of Fund and Share Class	Currency	Minimum first subscription	Subscription and redemption fee		
			Management Fee	Redemption fee	Other
Captor Dahlia Green Bond C	SEK	10 000 000	0,250%	0% - 2%	
Captor Dahlia Green Bond D	EUR	1 000 000	0,250%	0% - 2%	
Captor Dahlia Green Bond E	SEK	10 000 000	0,250%	0% - 2%	Dividend paying
Captor Aster Global Credit A	SEK	100	0,600%	0	
Captor Aster Global Credit B	SEK	10 000 000	0,400%	0% - 2%	Dividend paying
Captor Aster Global Credit C	SEK	10 000 000	0,400%	0% - 2%	
Captor Aster Global Credit D	EUR	1 000 000	0,400%	0% - 2%	
Captor Aster Global Credit E	NOK	10 000 000	0,400%	0% - 2%	
Captor Aster Global Credit F	SEK	100	0,450%	0	Special terms on distribution
Captor Aster Global Credit Short-Term A	SEK	100	0,400%	0	
Captor Aster Global Credit Short-Term B	SEK	10 000 000	0,250%	0% - 2%	Dividend paying
Captor Aster Global Credit Short-Term C	SEK	10 000 000	0,250%	0% - 2%	
Captor Aster Global Credit Short-Term D	EUR	1 000 000	0,250%	0% - 2%	
Captor Aster Global Credit Short-Term E	NOK	10 000 000	0,250%	0% - 2%	

Name of Fund and Share Class		Minimum first Currency subscription	Management Fee	Subscription and redemption fee	Other
Captor Aster Global Credit Short-term F	SEK	100	0,300%	0	Special terms on distribution
Captor Aster Global High Yield A	SEK	100	0,600%	0	
Captor Aster Global High Yield B	SEK	10 000 000	0,400%	0% - 2%	Dividend paying
Captor Aster Global High Yield C	SEK	10 000 000	0,400%	0% - 2%	
Captor Aster Global High Yield D	EUR	1 000 000	0,400%	0% - 2%	
Captor Aster Global High Yield E	NOK	10 000 000	0,400%	0% - 2%	
Captor Aster Global High Yield F	SEK	100	0,450%	0	Special terms on distribution
Bond funds					
Captor Iris Bond A	SEK	100	0,500%	0	
Captor Iris Bond B	SEK	1 000 000	0,400%	0	
Captor Iris Bond C	SEK	10 000 000	0,300%	0% - 2%	
Captor Iris Bond D	SEK	10 000 000	0,300%	0% - 2%	Dividend paying
Captor Perenne Short-Term Bond A	SEK	100	0,200%	0	
Captor Perenne Short-Term Bond B	USD	10	0,200%	0	

Name of Fund and Share Class		Minimum first Currency subscription	Management Fee	Subscription and redemption fee	Other
Captor Perenne Short-Term Bond C	SEK	10 000 000	0,100%	0% - 2%	
Captor Global Fixed Income A	SEK	100	0,600%	0	
Captor Global Fixed Income B	SEK	10 000 000	0,400%	0% - 2%	

# **ABOUT CAPTOR IRIS BOND**

## **OBJECTIVES AND INVESTMENT POLICY**

Captor Iris Bond is an actively managed bond fund that seeks to realize the largest possible share of the fixed income markets differences in interest rates with longer term premiums than traditional bond funds.

The fund invests in covered mortgage bonds and bonds issued or guaranteed by states, municipalities, and supranational organizations. Interest rate derivatives are used to maintain positions against Swedish interest rates with long duration.

The fund's objective is to exceed the return of its benchmark Portfolio, defined in the fund rules, with a limited deviation in risk profile. The benchmark portfolio has an average duration of 10 - 12 years.

## **RISK AND REWARD PROFILE**

The fund belongs to Category 3, which means moderate risk of ups and downs in the share value. The indicator may change over time.

The following risks are not fully reflected in the risk/return indicator but still affect the value of the fund:

The fund invests in bonds that are generally characterized by lower risk than the stock market. The exposure entails credit risk on the issuing company, i.e., the risk that the company cannot repay its debt in full. The fund mitigates credit risk by diversification over issuers and limiting credit risk to investments in covered mortgage bonds and bonds issued or guaranteed by states, municipalities, and supranational organizations.

The fund is exposed to counterparty risk, i.e., the risk that a counterparty will not fulfil its obligations to the fund, for example by not paying a set amount or not delivering securities in accordance with an agreement.

The fund uses derivative instruments such as interest rate swaps and currency swaps for the purpose of managing interest rate and currency risks. If possible, derivatives are traded with a central counterparty and margined daily. For derivatives traded under bilateral agreements, corresponding collateral management is required.

Subscriptions and redemptions in the fund may create a liquidity risk for the fund if certain instruments are illiquid. Margining requirements for derivative instruments may also constitute liquidity risk. The fund manages liquidity risk through continuous liquidity forecasts and the possibility of bridge financing through securities lending.

## **USE OF SECURITIES FINANCING TRANSACTIONS**

The fund primarily performs transactions for securities financing in connection with collateral management to minimize positions in cash and cash equivalents. Furthermore, they constitute preparedness for situations where the fund does not receive cash on time. More information on the use of securities financing transactions can be found under the heading General Information Regarding the funds.

## **LEVEL OF ACTIVITY**

At present, all existing indices have a structure that deviates significantly from the fund's management strategy, which is why they are not suitable for benchmarking the fund. As the fund does not have a relevant index, the degree of activity cannot be reported.

## **PRIMARY DEALER**

The company does not use any primary dealer.

## **TARGET INVESTORS**

The fund may be unsuitable for investors who plan to make withdrawals from the fund within 5 years.

## **ANNUAL REPORT**

The annual report is prepared in accordance with the fund rules.

## **HISTORICAL RETURNS**

Historical returns can be found on the Management Company's website:  
[www.captor.se/fonder](http://www.captor.se/fonder).

## **RESPONSIBLE INVESTMENTS**

The Fund follows the Captor Group's policy for responsible investments. The information presented in accordance with Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR) is presented as an appendix at the end of this document.

## **SUSTAINABILITY RISKS**

The section General sustainability information in this document contains information regarding definitions of sustainability risks and how the Management Company considers them in all funds. Below, there is specific information relating to sustainability risks in Captor Iris Bond.

The fund invests in covered bonds, supranational bonds, as well as bonds issued or guaranteed by states and/or municipalities. Consequently, not every issuer will be available in the third-party sustainability data services available on the market. In such cases, a complementary analysis regarding potential sustainability risks is conducted. Such analysis is based on principle adverse impact indicators (PAI), where the company Head of Sustainable Investment does an internal assessment based on these indicators to identify potential sustainability risks. In this category of investments, potential sustainability risks are, for example, governance risks such as money laundering and corruption.

The fund's sustainability risk is determined to be low, meaning a limited risk for negative impacts on yield.

## **CAPTOR IRIS BOND FUND RULES**

*The English version is a translation of the original in Swedish for information purposes only. In case of a discrepancy, the Swedish original will prevail.*

### **§ 1 The Fund**

The fund's name is Captor Iris Bond ("the Fund"). The Fund is a UCITS fund in accordance with the Investment Funds Act (2004: 46)<sup>1</sup> ("IFA").

The Fund cannot acquire rights or assume obligations or bring proceedings before a court or other authority. Assets that are included in the Fund may not be forfeited and the shareholders will not be liable for obligations related to the Fund. The Management Company represents the shareholders in matters relating to the Fund, decides on the assets that constitutes the Fund holdings and exercises the rights arising from the Fund.

The Fund assets are jointly owned by the shareholders and each share in a share class carries equal rights to the assets included in the fund. The fund consists of share classes, which means that the share value in one share class will differ from the share value of another share class.

Operations are conducted in accordance with these Fund Rules, the Management Companies articles of association, IFA and other applicable regulations.

The Fund consists of the following share classes:

Share Class A: A maximum management fee of 0.50 percent. Initial subscription must amount to at least SEK 100.

Share Class B: A maximum management fee of 0.40 percent. Initial subscription must amount to at least SEK 1 000 000.

Share Class C: A maximum management fee of 0.30 percent. Initial subscription must amount to at least SEK 10 000 000.

Share Class D: A maximum management fee of 0.30 percent. Initial subscription must amount to at least SEK 10 000 000. The share class is dividend paying. See § 12 for conditions regarding dividends.

### **§ 2 Management Company**

The fund is managed by Captor Fund Management AB ("The Management Company").

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<sup>1</sup>The implementation of the UCITS Directive 2009/65/EC into Swedish law.

## **§3 The Depositary and its Duties**

The Fund's assets are kept in custody by Swedbank AB (publ) ("The Depositary"). The Depositary shall execute on all instructions by the Management Company which do not contravene the provisions of the IFA or the Fund Rules. The Depositary shall further receive and keep in custody all assets that constitutes the holdings of the Fund and ensure that;

- sale and redemption of shares takes place in accordance with law and Fund Provisions,
- the value of the fund shares is calculated in accordance with law and Fund Provisions,
- that the assets of the Fund will be deposited without delay at the depositary, and
- that the funds in the Fund are used in accordance with the provisions of law and Fund Rules.

## **§ 4 Characteristics of the Fund**

The Fund is an actively managed fixed income fund in Swedish krona that has a duration between 10 and 15 years.

The Fund's objective is to generate a higher return than the benchmark portfolio within the framework of the Fund's risk constraints (see §5).

The Fund invests in covered mortgage bonds and bonds issued or guaranteed by governments, municipalities and supranational organizations. The Fund mainly uses interest rate derivatives to maintain its duration.

The Fund is suitable for investors with an investment horizon longer than 5 years.

## **§ 5 Investment Policy**

The Fund's funds may be invested:

- in transferable securities,
- in money market instruments,
- in a deposit with a credit institution, and
- in derivative instruments.

The Fund may raise short-term loans to amounts that are no more than 10 percent of the Fund's value. The Fund may lend transferable securities to an extent equivalent to a maximum of 20 percent of the Fund's value.

The Fund's total level of risk measured as volatility in returns is estimated to exceed the risk level in traditional Swedish fixed income funds but fall below the

risk level for traditional Swedish equity funds. The objective is for the Fund's risk level, measured as an annual standard deviation over a rolling two-year period, to be in the range of 3-15 percent.

As an overall limitation of the Fund's risk-taking, the estimated total risk level for the Fund's exposures (positive and negative) based on relative historical Value-at-Risk ("VaR") may not be more than thirty (30) percent higher than VaR for the Fund's benchmark portfolio.

Value at Risk is calculated on the basis of a one-sided confidence interval of 95 percent. The holding period is one (1) business day. The estimated risk level thus constitutes an estimate of the largest decline in value of the Fund affected by the following business day in 95 percent of the cases.

The Fund's benchmark portfolio consists of interest rate swaps in Swedish krona quoted according to the market standard by banks in the money market. The instruments in the reference portfolio refer to maturities of 1 to 10, 12, 15 and 20 years, respectively, a total of 13 instruments. The instruments for the term 1 to 3 years are included in one third each. The other 10 instruments are included in one tenth each.

The daily return of the benchmark portfolio is calculated by calculating the return of the respective instrument day by day where the maturities of 1 to 3 years are included by its fixed interest rate (Total Return) and other maturities are included in both its fixed and floating interest rates (Excess Return). The return on the benchmark portfolio then consists of the weighted sum of the daily returns of each instrument.

The method of calculating the Fund's risk level using a VaR model is a useful tool in managing the Fund's risk but does not constitute a guarantee against impairment.

If the VaR limit is breeched, a correction must be made as soon as practically possible. Reasonable consideration must then be given to the interests of fund shareholders.

## **§ 6 Special Investment Policy**

The Fund may not invest in such transferrable securities and money market instruments referred to in chapter 5, section 5 IFA.

The Fund invests in derivative instruments as part of its investment policy.

The Fund's funds may also be invested in derivative instruments specified in chapter 5, section 12, second paragraph IFA (OTC derivatives).

The Fund uses FX derivatives to hedge its holdings denominated in currencies other than Swedish krona.

The Fund may use the techniques and instruments referred to in chapter 25, section 21 of the Swedish Financial Supervisory Authority's Regulations (FFFS 2013:

9) on Mutual Funds with the aim of reducing costs and risks in the Fund or with a view to increasing returns and creating leverage in the Fund.

## **§ 7 Trading Venues**

The Fund may invest on a regulated or equivalent market outside the European Economic Area ("EEA") and in another markets, within or outside the EEA, which is regulated and open to the public.

## **§ 8 Valuation**

The value of the Fund is calculated by deducting from the Fund's assets the liabilities relating to the Fund.

The Fund's assets include transferable securities, cash and cash equivalents, including short - term investments in the money market and other assets belonging to the Fund.

Financial instruments included in the Fund are valued on the basis of the current market value. Market prices are primarily used. If such prices are not available or if the prices in the Management Company's assessment are misleading, financial instruments may be included at the value determined by the Management Company on an objective basis. When valuing on an objective basis, a market value is determined based on information on the most recently paid price or indicative purchase price from the market-maker if such has been appointed for the issuer. If this information is missing or not considered reliable, the market value is determined using information from counterparties or other external sources. Liquid funds and current receivables (investments in credit institution accounts, short investments in the money market and receivables for sold securities) are valued at the amount they are expected to settle.

OTC derivatives that in their terms essentially correspond to exchange-traded derivatives (so-called look-alikes) that are included in the funds are valued on the basis of the current market value. In the first instance, the official closing price applies and if such is missing, the average of the bid price and the offered price for the respective held and sold position.

For other OTC derivatives included in the funds, the market value is determined on objective grounds according to a special valuation where the Valuation Officer uses generally accepted models. Non-linear OTC derivatives such as options are valued based on the Black-Scholes model. Linear OTC derivatives such as interest rate and currency swaps are valued through discounted cash flows.

The Fund's liabilities include, in addition to liabilities that have arisen as a result of the Fund's operations, future tax liabilities and management compensation.

The value of a fund share is the Fund's value as above divided by the number of outstanding fund shares, taking into account the conditions associated with each share class.

## **§ 9 Subscription and Redemption of Fund Shares**

The Fund is normally open for subscription and redemption of fund shares every Swedish banking day.

Notification of sale or redemption of fund shares must be made for Share Class C and D no later than 10:00 on ordinary banking days. The other Share Classes must be registered no later than 14:00 on ordinary banking days.

Requests for the subscription or redemption of fund shares may only be withdrawn if the Management Company so permits.

Subscription and redemption take place at a, by the time of request, unknown price. Information of the subscription and redemption price regarding the previous banking day can be obtained from the Management Company or the Depository.

The subscription price for a fund share amounts to the fund share's value on the day of sale calculated in accordance with section 8 and any additional transaction costs in share classes C and D in accordance with § 11.

The redemption price for a fund share amounts to the fund share's value on the redemption date calculated in accordance with section 8 and any additional transaction costs in share classes C and D in accordance with § 11.

The value of the fund shares is determined and published no later than 11:00 ordinary Swedish banking day on the Management Company's website. Settlement and delivery of fund shares as well as Portfolio transactions, respectively, are carried out according to the normal settlement cycle (two banking days) following the notification of subscription and redemption.

In the event that the value of the Fund's assets exceeds SEK 25 000 000 000, the Board of Directors has the right to decide to close for subscription of fund shares. If the assets of the fund fall below the capital limit after the Fund has been closed, the opportunity for subscription may again be offered.

The Fund may be closed for subscription and redemption of fund shares if the Fund has such a large holding of financial instruments in an underlying market that is wholly or partially closed that the Fund cannot be valued in a way that ensures a fair valuation with respect to all shareholders.

## **§ 10 Closing of the Fund under Extraordinary Circumstances**

The Fund may be closed for subscription and redemption if extraordinary circumstances have occurred that mean that the valuation of the Fund's assets cannot be done in a way that ensures the equality of shareholders.

## **§ 11 Fees and Compensation**

From the funds of the Fund, remuneration may be paid to the Management Company for its management, marketing and administration of the Fund. Remuneration is calculated daily on the value of the Fund and may amount to a maximum of 0.50 per year in Share Class A, 0.4 per cent per year in Share Class B and 0.4 per cent per year in Share Class C and D. Remuneration includes costs for depositary, supervision and auditors.

The Fund shall be charged all costs for brokerage, tax, etc. when buying or selling financial instruments.

Value added tax applies at any time to the remuneration according to the above.

### **Additional transaction costs in share classes C and D**

In the event of subscription, a subscription fee of a maximum of 2 percent of the fund share's value will be added as compensation only to the Fund for the Fund's transaction costs in connection with subscription. Upon redemption, a redemption fee of a maximum of 2 percent of the fund share's value will be added as compensation only to the Fund for the Fund's transaction costs in connection with redemption.

For subscription and redemption of fund shares, the customer can request to bear its own transaction costs. Upon request for such a procedure, the fund company shall, no later than 12:00 on the same day provide the client with a list of such financial instruments ("Portfolio Transactions") The Fund will need to trade to cover such subscription or redemption in order to maintain the desired level of risk. The client may choose to engage as counterparty in one or more of such Portfolio Transactions and / or, for the Portfolio Transactions the Management Company executes in the market as a result of subscription or redemption, pay / receive, for each Portfolio Transaction, the difference between the execution price, including direct costs and the valuation price according to the same principles and exchange rates as used to determine the fund share value. Subscription or redemption as above can be requested every ordinary banking day.

## **§ 12 Dividend**

Dividends are paid each year to fund shareholders who are registered in the shareholder register as holders of fund shares of share class D on a date determined by the Fund Company ("Record Date"). Dividends are paid in May and determined by the Management Company.

The share class shall pay an annual dividend corresponding to the Fund's yield received from the previous Reconciliation Date, with an adjustment for the dividend share class' share of the total fund assets.

The dividend affects the relationship between the value of non-dividend paying Share Class shares and the value of the dividend paying Share Class shares by

reducing the value of the dividend paying Share Class shares in relation to the size of the dividend.

## **§ 13 The Fund's Fiscal Year**

The fiscal year of the Fund is calendar year.

## **§ 14 Half-yearly and Annual reports, Updates of Fund Prospectus**

The Management Company shall submit an annual report of the Fund within four months of the end of the financial year. The annual report shall be sent to the Swedish Financial Supervisory Authority and sent free of charge to all shareholders who have requested to receive this and shall be available at the Management Company and the Depositary.

The Management Company shall submit half-yearly reports of the Fund for the first six months of the financial year within two months of the end of the first six months. The half-yearly report must be sent to the Swedish Financial Supervisory Authority and sent free of charge to all shareholders who have requested to receive this and shall be available at the Management Company and the Depositary.

## **§ 15 Amendments of Fund Rules**

The Management Companies Board of Directors decides on amendments in the Fund's Rules. After the Swedish Financial Supervisory Authority approves the amendments, the amended Fund Rules shall be made available by the Management Company and the Depositary, and shall be announced, as the case may be, in the manner specified by the Swedish Financial Supervisory Authority.

## **§ 16 Pledging and Transfer of Ownership**

If a shareholder wishes to pledge shares belonging to him in the Fund, the shareholder (the pledgor) and/or the pledgee must notify the shareholder's custodian in writing in cases where the shares are nominee registered.

The notice shall state:

1. who is the shareholder/pledgor,
2. who is the pledgee,
3. which fund shares are covered by the pledge; and
4. any restrictions on the scope of the pledge.

The notification must be signed by the pledgor.

Requests for transfer of fund shares shall be notified in writing to the Management Company. Shareholders are responsible for ensuring that the notification is duly signed. The notification of transfer must indicate transferor and to whom the shares are transferred, their social security number/organization number, address, telephone number, securities account or custodian bank and custodian number, bank account and the purpose of the transfer.

The transfer of a share requires that the Management Company admit the transfer. Such consent is only given by the Management Company if the transfer is made in order to carry out division of property of matrimonial property, refers to a gift to the spouse or own children or refers to transfers between different legal entities within the same corporation group.

## **§ 17 Limited Liability**

The Management Company or the Depositary is not liable for damage caused by Swedish or foreign law, Swedish or foreign government action, event of war, strike, blockade, boycott, lockout or other similar circumstance. The reservation of liability with regards to strike, blockade, boycott and lockout applies even if the Management Company or the Depositary is the subject of or itself takes such a conflict action.

Damage incurred in other cases shall not be compensated by the Management Company or the Depositary if the Management Company and the Depositary were normally careful. The Management Company or Depositary is in no case responsible for indirect damage, unless the indirect damage was caused by the gross negligence of the Management Company or Depositary.

The Management Company or the Depositary shall not be liable for any damage caused by the Swedish or foreign stock exchange or other marketplace, custodian, central securities depository, clearing organization, or other provider of similar services, nor by contractors hired by the Management Company or the Depositary with due care or as a trust company. The same applies to damage caused by the above-mentioned organizations or contractors becoming insolvent. The Management Company or the Depositary shall not be liable for damages incurred by the Management Company, shareholders in the Fund or any other in connection with disposal restrictions that may be applied against the Management Company or the Depositary in respect of securities.

If the Management Company or the Depositary is obstructed to execute a measure in whole or in part under these provisions due to the circumstances mentioned in the first paragraph, the measure may be postponed until the obstacle has ceased. In the event of a deferred payment, the Management Company or the Depositary shall not pay interest on late payments.

If interest is pledged, the Management Company or the Depositary shall pay interest according to the interest rate applicable on the due date.

If the Management Company or the Depositary is prevented from receiving pay-

ment for the Fund as a result of the circumstances specified in the first paragraph, the Management Company or the Depositary for the period during which the obstacle existed is entitled to interest only under the conditions applicable on the due date.

Notwithstanding the above, the Management Company and the Depositary are liable for damages pursuant to Chapter 2, 21 § and Chapter 3, 14-16 §§ IFA.

## **§ 18 Restriction on Sales Rights**

The Fund or fund shares are not and are not intended to be registered in accordance with, at any time, the United States Securities Act 1933 or the United States Investment Companies Act 1940 or other applicable laws in the United States.

Fund shares (or rights to fund shares) may not be offered, sold or otherwise distributed to or on behalf of the U.S. Persons (as defined in Regulation S of the United States Securities Act and interpreted in the United States Investment Companies Act 1940).

Fund shares may also not be offered, sold or otherwise distributed to persons or legal entities if, in the Management Company's assessment, this would involve or entail a risk of;

- I. violation of Swedish or foreign law or constitution,
- II. that the Management Company must take special registration or other measures or incur significant disadvantages for tax or economic reasons, and this cannot reasonably be required by the Management Company, or
- III. that the Fund incurs damage or costs that are not in the interests of the shareholders.

Anyone wishing to acquire shares in the Fund shall state to the Management Company the national domicile. Furthermore, shareholders are obliged, if applicable, to notify the Management Company of any changes in national domicile.

Buyers of shares in the Fund shall further confirm to the Management Company that he or she is not a U.S. Person and that the fund shares are acquired through a transaction outside the United States in accordance with Regulation S.

Subsequent transfer of the shares or rights thereto will only be made to a non-US person and shall be affected through a transaction outside the United States subject to the exemption under Regulation S.

If the Management Company considers that it is not entitled to offer, sell or otherwise distribute fund shares as above, the Management Company is entitled to refuse the execution of such assignment of shares in the Fund and, where applicable, without prior consent, to redeem such shares in the Fund on his behalf and thus paying out additional funds to him.

# **ABOUT CAPTOR SCILLA GLOBAL EQUITY**

## **OBJECTIVES AND INVESTMENT POLICY**

Captor Scilla Global Equity is an actively managed fund that invests mainly in global equities.

The management methodology is based on investments in companies that offer an attractive ratio between expected return and risk compared with the global stock market average. The selection is further based on the shares' liquidity and volatility.

The fund's total risk affects the strategy's equity exposure. In a volatile market, the fund can hold a larger cash position. In a calmer market, the fund can instead apply a certain leverage. Equity exposure can vary between 50% and 120%.

Management is focused on creating excess returns through controlled risk-taking. The fund's management methodology is robust and does not change over time, which guarantees a stable and over time higher risk-adjusted return than with index management or funds with fundamental equity analysis.

The holdings in the fund are screened to ensure that they comply with international standards and conventions. Furthermore, the fund does not invest in companies where more than 5% of sales come from fossil fuels.

The fund may invest in transferable securities, money market instruments, fund shares or in an account with credit institutions. The fund may also invest in derivative instruments as part of the fund's investment focus. The fund does not use currency derivatives to hedge its holdings denominated in currencies other than Swedish kronor.

Subscription and redemption of fund shares can normally take place every Swedish banking day.

The manager uses methods that can deviate significantly from index during certain periods. For those who expect a return close to the index, the investment horizon should be longer than five years.

## **RISK AND REWARD PROFILE**

The fund belongs to risk Category 4, which means average risk for ups and downs in the share value. The category can change over time.

The following risks are not fully reflected in the risk / return indicator but still affect the value of the fund:

The fund is exposed to counterparty risk, ie the risk that the counterparty will not fulfill its obligations to the fund. This can be done, for example, by the counterparty not paying a predetermined amount or by not delivering securities in accordance with an agreement. If possible, derivative instruments are traded with

a central counterparty and margined on a daily basis. For derivatives that are traded in accordance with bilateral agreements, corresponding collateral management is required.

Margin requirements regarding derivative instruments and the risk that customers do not pay on time can constitute liquidity risk. The fund manages the risk through a continuous liquidity forecast and the possibility of bridge financing through securities lending.

## **USE OF SECURITIES FINANCING TRANSACTIONS**

The fund primarily performs transactions for securities financing in connection with collateral management in order to minimize positions in cash and cash equivalents. Furthermore, they constitute preparedness for situations where the fund does not receive cash on time. More information on the use of securities financing transactions can be found under the heading General Information Regarding the funds.

## **LEVEL OF ACTIVITY**

The Fund's activity level is described using the activity measurement tracking error, which shows how much the difference between the Fund's return and the benchmark index return varies over time.

Tracking error is reported as a percentage and is calculated as the standard deviation, the average deviation from the average deviation, for the difference between the Fund's and the benchmark index return. The higher the activity level of the fund, the greater the average deviation. The calculation does not take into account whether the deviation is positive or negative. The achieved historical level of activity in the Fund for the last ten calendar years is shown below, or, if the Fund has existed for less than 10 years but more than two years, as many full years as the Fund has existed. The calculation of active risk is based on monthly data from the two last calendar years.

Captor Scilla Global Equity is compared to Morningstar DM Large-Mid Cap NR. The index consists of shares from a population that is very close to the fund's investment universe, which is why it is relevant to compare the fund with the index's development.

Year	Active risk
2014	
2015	
2016	
2017	
2018	
2019	
2020	
2021	6,73%
2022	4,95%
2023	5,9%

## **PRIMARY DEALER**

The company does not use any primary dealer.

## **TARGET INVESTORS**

The fund may be unsuitable for investors who plan to make withdrawals from the fund within 5 years.

## **ANNUAL REPORT**

The annual report is prepared in accordance with the fund rules.

## **HISTORICAL RETURNS**

Historical returns can be found on the Management Company's website: [www.captor.se/fonder](http://www.captor.se/fonder).

## **RESPONSIBLE INVESTMENTS**

The Fund follows the Captor Group's policy for responsible investments. The information presented in accordance with Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR) is presented as an appendix at the end of this document.

## **SUSTAINABILITY RISKS**

The section General sustainability information in this document contains information regarding definitions of sustainability risks and how the Management Com-

pany considers them in all funds. Below, there is specific information relating to sustainability risks in Captor Scilla Global Equity.

The fund is an actively managed global equity fund. It uses the methods exclusion as well as engagement through voting. The company exercises its voting rights when there is a justified motive for voting from a sustainability perspective or when the fund holds more than 5% of issued shares. If there is an indication of a possible sustainability risk arising, Captor will begin a dialogue to highlight concerns as well as to receive more information, or by selling the shares.

A small part of the fund invests in covered bonds, supranational bonds, as well as bonds issued or guaranteed by states and/or municipalities. Consequently, not every issuer will be available in the third-party sustainability data services available on the market. In such cases, a complementary analysis regarding potential sustainability risks is conducted. Such analysis is based on principle adverse impact indicators (PAI), where the company Head of Sustainable Investment does an internal assessment based on these indicators to identify potential sustainability risks. In this category of investments, potential sustainability risks are, for example, governance risks such as money laundering and corruption.

The fund's sustainability risk is determined to be low, meaning a limited risk for negative impacts on yield.

# **CAPTOR SCILLA GLOBAL EQUITY FUND RULES**

*The English version is a translation of the original in Swedish for information purposes only. In case of a discrepancy, the Swedish original will prevail.*

## **§ 1 The Fund**

The fund's name is Captor Scilla Global Equity ("the Fund"). The Fund is a UCITS fund in accordance with the Investment Funds Act (2004:46) ("IFA").

The Fund cannot acquire rights or assume obligations or bring proceedings before a court or other authority. Assets that are included in the Fund may not be forfeited and the shareholders will not be liable for obligations related to the Fund. The Management Company represents the shareholders in matters relating to the Fund, decides on the assets that constitutes the Fund holdings and exercises the rights arising from the Fund.

The Fund assets are jointly owned by the shareholders and each share in a share class carries equal rights to the assets included in the fund. The fund consists of share classes, which means that the share value in one share class will differ from the share value of another share class.

Operations are conducted in accordance with these Fund Rules, the Management Companies articles of association, IFA and other applicable regulations.

The Fund consists of the following share classes:

Share Class B: A maximum management fee of 0.75 percent. Initial subscription must amount to at least SEK 100.

Share Class C: A maximum management fee of 0.375 percent. Initial subscription must amount to at least SEK 10 000 000.

Share Class D: A maximum management fee of 0.75 percent. Initial subscription must amount to at least EUR 10.

Share Class E: A maximum management fee of 0.375 percent. Initial subscription must amount to at least EUR 1 000 000.

Share Class F: A maximum management fee of 0.75 percent. Initial subscription must amount to at least NOK 100.

Share Class G: A maximum management fee of 0.375 percent. Initial subscription must amount to at least NOK 10 000 000.

Share Class H: A maximum management fee of 0.75 percent. Initial subscription must amount to at least DKK 100.

Share Class I: A maximum management fee of 0.375 percent. Initial subscription must amount to at least DKK 10 000 000.

Share Class J: A maximum management fee of 0.375 percent. Initial subscription must amount to at least SEK 10,000,000. Share Class J is dividend paying. See

section 12 for conditions regarding dividends.

Share Class K: A maximum management fee of 0.425 percent. Initial subscription must amount to at least SEK 100. The share class is associated with conditions for distribution: The share class is only open for subscription of fund shares through distribution channels that do not entitle the distributor to compensation for the distribution from the Management Company. Subscription can, for example, take place in connection with a distributor providing investment advice on an independent basis, through portfolio management or through mutual fund platforms that do not require third-party compensation.

## **§ 2 Management Company**

The fund is managed by Captor Fund Management AB ("The Management Company").

## **§3 The Depositary and its Duties**

The Fund's assets are kept in custody by Swedbank AB (publ) ("The Depositary"). The Depositary shall execute on all instructions by the Management Company which do not contravene the provisions of the IFA or the Fund Rules. The Depositary shall further receive and keep in custody all assets that constitutes the holdings of the Fund and ensure that;

- subscription and redemption of shares takes place in accordance with law and Fund Rules,
- the value of the fund shares is calculated in accordance with law and Fund Rules,
- that the assets of the Fund will be deposited without delay at the depositary, and
- that the funds in the Fund are used in accordance with the provisions of law and Fund Rules.

## **§ 4 Characteristics of the Fund**

The Fund is an actively managed strategy fund that mainly invests in equities and equity related transferable securities on global stock markets.

The Fund's objective is to achieve the highest possible information ratio, i.e. a better ratio between return and volatility, with a well-balanced risk level, than in other comparable global equity funds. This distinguishes the Fund from traditional mutual funds whose focus is relative returns to an index.

Given the objective of achieving the best possible ratio between return and volatility, the manager places special emphasis on methods for reducing the Fund's

volatility. The manager uses methods that are particularly suitable for investors with an investment horizon longer than five years.

Normally, more than half of the Fund's value must be invested in shares or share-related transferable securities.

As the manager can use leverage, the market value of the Fund's positions may at different times exceed 100 percent of the Fund's value. The degree of leverage varies over time mainly in order to neutralize changes in the level of risk in the holdings in the underlying market.

## **§ 5 Investment Policy**

The Fund's funds may be invested:

- in transferable securities in the Nordic region,
- in money market instruments,
- in mutual fund shares,
- in a deposit with a credit institution, and
- in derivative instruments.

The Fund's total risk level, measured as volatility in returns, is expected over time to be lower than for a traditional equity fund. The goal is for the Fund's risk level, measured as an annual standard deviation over a rolling two-year period, to be in the range of 8 to 15 percent.

The value of the long (purchased, owned) positions in shares or share-related transferable securities consists of at least 50 percent and a maximum of 150 percent of the Fund's value.

As an overall limitation of the Fund's risk-taking, the estimated total risk level for the Fund's exposures (positive and negative) based on historical Value-at-Risk ("VaR") may not exceed three (3) percent of the Fund's value. The Fund's risk level is estimated daily with a confidence level of 95 percent. The estimated risk level thus constitutes an estimate with a probability of 95 percent of the largest decline in value the Fund risks on the following day.

The method of calculating the Fund's risk level using a VaR model is a useful tool in the management of the Fund's risk but does not constitute a guarantee against impairments in excess of the specified risk limit of three (3) percent.

If the VaR limit is breeched, a correction must be made as soon as practically possible. Reasonable consideration must then be given to the interests of fund shareholders.

## **§ 6 Special Investment Policy**

The Fund may not invest in such transferrable securities and money market instruments referred to in chapter 5, section 5 IFA.

The Fund invests in derivative instruments as part of its investment policy.

The Fund's funds may also be invested in derivative instruments specified in chapter 5, section 12, second paragraph IFA (OTC derivatives).

The Fund may use the techniques and instruments referred to in chapter 25, section 21 of the Swedish Financial Supervisory Authority's Regulations (FFFS 2013: 9) on Mutual Funds with the aim of reducing costs and risks in the Fund or with a view to increasing returns and creating leverage in the Fund.

The Fund's assets may to a significant extent be invested in shares in other mutual funds and fund companies in accordance with the provisions that apply in accordance with chapter 5, section 15 IVA.

## **§ 7 Trading Venues**

The Fund may invest on a regulated or equivalent market outside the European Economic Area ("EEA") and in another markets, within or outside the EEA, which is regulated and open to the public.

## **§ 8 Valuation**

The value of the Fund is calculated by deducting from the Fund's assets the liabilities relating to the Fund.

The value of a Fund unit is normally calculated every Swedish banking day by the Management Company.

The Management Company has the right to cancel the valuation of the Fund if the valuation of the Fund's assets cannot be made in a way that ensures the shareholders' equal rights. This may be the case, for example, if one or more markets where the Fund's assets are traded are completely or partially closed. This also applies if the Fund is closed or subscription and redemption are postponed in accordance with section 10. In these cases, the fund must be valued as soon as the shareholders can be secured equally.

Financial instruments included in the Fund are valued on the basis of the current market value. Market prices are primarily used. If such prices are not available or if the prices in the Management Company's assessment are misleading, financial instruments may be included at the value determined by the Management Company on an objective basis. When valuing on an objective basis, a market value is determined based on information on the most recently paid price or indicative purchase price from the market-maker if such has been appointed for the issuer. If this information is missing or not considered reliable, the market value

is determined using information from counterparties or other external sources. Liquid funds and current receivables (investments in credit institution accounts, short investments in the money market and receivables for sold securities) are valued at the amount they are expected to settle.

OTC derivatives that in their terms essentially correspond to exchange-traded derivatives (so-called look-alikes) that are included in the funds are valued on the basis of the current market value. In the first instance, the official closing price applies and if such is missing, the average of the bid price and the offered price for the respective held and sold position. For other OTC derivatives included in the funds, the market value is determined on objective grounds according to a special valuation where the Valuation Officer uses generally accepted models. Non-linear OTC derivatives such as options are valued based on the Black-Scholes model. Linear OTC derivatives such as interest rate and currency swaps are valued through discounted cash flows.

The Fund's liabilities include, in addition to liabilities that have arisen as a result of the Fund's operations, future tax liabilities and management compensation.

The value of a fund share is the Fund's value as above divided by the number of outstanding fund shares, taking into account the conditions associated with each share class.

## **§ 9 Subscription and Redemption of Fund Shares**

The Fund is normally open for subscription and redemption of fund shares every Swedish banking day. However, the fund is open for subscription and redemption on such banking days when valuation cannot be made in a way that ensures shareholders' equal rights. This may be the case, for example, if one or more markets where the Fund's assets are traded are completely or partially closed.

Subscription and redemption of fund shares takes place in the currency specified in section 1 for each share class.

Notification of subscription or redemption of fund shares must be made for share Class C, E, G, I and J no later than 10:00 on ordinary banking days. The other share classes must be registered no later than 14:00 on ordinary banking days.

Requests for the subscription or redemption of fund shares may only be withdrawn if the Management Company so permits.

Subscription and redemption take place at a, by the time of request, unknown price. Information of the subscription and redemption price regarding the previous banking day can be obtained from the Management Company or the Depository.

The subscription price for a fund share amounts to the fund share's value on the day of sale calculated in accordance with section 8 and any additional transaction costs in share classes C, E, G, I and J in accordance with section 11.

The redemption price for a fund share amounts to the fund share's value on the redemption date calculated in accordance with section 8 and any additional transaction costs in share classes C, E, G, I and J in accordance with section 11.

For a request for subscription or redemption that comes to the Management Company when the Fund is closed for subscription and redemption, the Fund share value is normally determined the following Swedish banking day.

The value of the Fund shares is determined and published on the Management Company's website no later than the banking day after the banking day when the fund unit value is determined. Settlement and delivery of fund shares as well as Portfolio transactions, respectively, are carried out according to the normal settlement cycle (two banking days) following the notification of subscription and redemption.

In the event that the value of the Fund's assets exceeds SEK 10 000 000 000, the Board of Directors has the right to decide to close for subscription of fund shares. If the assets of the fund fall below the capital limit after the Fund has been closed, the opportunity for subscription may again be offered.

The Fund may be closed for subscription and redemption of fund shares if the Fund has such a large holding of financial instruments in an underlying market that is wholly or partially closed that the Fund cannot be valued in a way that ensures a fair valuation with respect to all shareholders.

## **§ 10 Closing of the Fund under Extraordinary Circumstances**

The Fund may be closed for subscription and redemption if extraordinary circumstances have occurred that mean that the valuation of the Fund's assets cannot be done in a way that ensures the equality of shareholders.

## **§ 11 Fees and Compensation**

From the funds of the Fund, remuneration may be paid to the Management Company for its management, marketing and administration of the Fund. The remuneration is calculated daily on the Fund's value and may not exceed, 0.75 per cent per year in share classes B, D, F and H, 0.375 per cent per year in share classes C, E, G, I and J and 0.425 per cent per year in share class K. Remuneration includes costs for depositary, supervision and auditors.

The Fund shall be charged all costs for brokerage, tax, etc. when buying or selling financial instruments.

Value added tax applies at any time to the remuneration according to the above.

Additional Transaction Costs in Share Classes C, E, G, I and J

In the event of subscription, a subscription fee of a maximum of 2 percent of the fund share's value will be added as compensation only to the Fund for the Fund's transaction costs in connection with subscription. Upon redemption, a

redemption fee of a maximum of 2 percent of the fund share's value will be added as compensation only to the Fund for the Fund's transaction costs in connection with redemption.

For subscription and redemption of fund shares, the customer can request to bear its own transaction costs. Upon request for such a procedure, the fund company shall, no later than 12:00 on the same day provide the client with a list of such financial instruments ("Portfolio Transactions") The Fund will need to trade to cover such subscription or redemption in order to maintain the desired level of risk. The client may choose to engage as counterparty in one or more of such Portfolio Transactions and / or, for the Portfolio Transactions the Management Company executes in the market as a result of subscription or redemption, pay/receive, for each Portfolio Transaction, the difference between the execution price, including direct costs and the valuation price according to the same principles and exchange rates as used to determine the fund share value. Subscription or redemption as above can be requested every ordinary banking day when the Fund is open for trading.

## **§ 12 Dividend**

Dividends are paid each year to fund shareholders who are registered in the shareholder register as holders of fund shares of share class J on a date determined by the Fund Company ("Record Date"). Dividends are paid in May and determined by the Management Company.

The share class shall pay an annual dividend corresponding to the Fund's yield received from the previous Reconciliation Date, with an adjustment for the dividend share class' share of the total fund assets.

The dividend affects the relationship between the value of non-dividend paying share class shares and the value of the dividend paying share class shares by reducing the value of the dividend paying share class shares in relation to the size of the dividend.

## **§ 13 The Fund's Fiscal Year**

The fiscal year of the Fund is calendar year.

## **§ 14 Half-yearly and Annual reports, Updates of Fund Prospectus**

The Management Company shall submit an annual report of the Fund within four months of the end of the financial year. The annual report shall be sent to the Swedish Financial Supervisory Authority and sent free of charge to all shareholders who have requested to receive this and shall be available at the Management Company and the Depositary.

The Management Company shall submit a half-yearly report of the Fund for the first six months of the financial year within two months of the end of the first six months. The half-yearly report must be sent to the Swedish Financial Supervisory Authority and sent free of charge to all shareholders who have requested to receive this and shall be available at the Management Company and the Depositary.

The Management Companies Board of Directors decides on amendments in the Fund's Rules. After the Swedish Financial Supervisory Authority approves the amendments, the amended Fund Rules shall be made available by the Management Company and the Depositary, and shall be announced, as the case may be, in the manner specified by the Swedish Financial Supervisory Authority.

## **§ 15 Pledging and Transfer of Ownership**

Shareholders may pledge their shares in the Fund, unless the shareholder is a pension savings institution that has invested pension savings on behalf of pension savers or insurance companies that have invested pension savings on behalf of pension savers.

The pledge is made by the pledgor or pledgee notifying the Management Company in writing of the pledge. The notice shall state:

1. who is the shareholder/pledgor,
2. who is the pledgee,
3. which fund shares are covered by the pledge; and
3. any restrictions on the scope of the pledge.

The notification must be signed by the pledgor.

Requests for transfer of fund shares shall be notified in writing to the Management Company. Shareholders are responsible for ensuring that the notification is duly signed. The notification of transfer must indicate transferor and to whom the shares are transferred, his/her social security number/organization number, address, telephone number, securities account or custodian bank and custodian number, bank account and the purpose of the transfer.

The transfer of a share requires that the Management Company admit the transfer. Such consent is only given by the Management Company if the transfer is made in order to carry out division of property of matrimonial property, refers to a gift to the spouse or own children or refers to transfers between different legal entities within the same corporation group.

## **§ 16 Limited Liability**

The Management Company or the Depositary is not liable for damage caused by Swedish or foreign law, Swedish or foreign government action, event of war,

strike, blockade, boycott, lockout or other similar circumstance. The reservation of liability with regards to strike, blockade, boycott and lockout applies even if the Management Company or the Depositary is the subject of or itself takes such a conflict action.

Damage incurred in other cases shall not be compensated by the Management Company or the Depositary if the Management Company and the Depositary were normally careful. The Management Company or Depositary is in no case responsible for indirect damage, unless the indirect damage was caused by the gross negligence of the Management Company or Depositary.

The Management Company or the Depositary shall not be liable for any damage caused by the Swedish or foreign stock exchange or other marketplace, custodian, central securities depository, clearing organization, or other provider of similar services, nor by contractors hired by the Management Company or the Depositary with due care or as a trust company. The same applies to damage caused by the above-mentioned organizations or contractors becoming insolvent. The Management Company or the Depositary shall not be liable for damages incurred by the Management Company, shareholders in the Fund or any other in connection with disposal restrictions that may be applied against the Management Company or the Depositary in respect of securities.

If the Management Company or the Depositary is obstructed to execute a measure in whole or in part under these provisions due to the circumstances mentioned in the first paragraph, the measure may be postponed until the obstacle has ceased. In the event of a deferred payment, the Management Company or the Depositary shall not pay interest on late payments.

If interest is pledged, the Management Company or the Depositary shall pay interest according to the interest rate applicable on the due date.

If the Management Company or the Depositary is prevented from receiving payment for the Fund as a result of the circumstances specified in the first paragraph, the Management Company or the Depositary for the period during which the obstacle existed is entitled to interest only under the conditions applicable on the due date.

Notwithstanding the above, the Management Company and the Depositary are liable for damages pursuant to chapter 2, section 21 and chapter 3, section 14-16 IFA.

## **§ 17 Restriction on Sales Rights**

The Fund or fund shares are not and are not intended to be registered in accordance with, at any time, the United States Securities Act 1933 or the United States Investment Companies Act 1940 or other applicable laws in the United States. Fund shares (or rights to fund shares) may not be offered, sold, or otherwise distributed to or on behalf of the U.S. Persons (as defined in Regulation S of

the United States Securities Act and interpreted in the United States Investment Companies Act 1940).

Fund shares may also not be offered, sold or otherwise distributed to persons or legal entities if, in the Management Company's assessment, this would involve or entail a risk of;

- I. violation of Swedish or foreign law or constitution,
- II. that the Management Company must take special registration or other measures or incur significant disadvantages for tax or economic reasons, and this cannot reasonably be required by the Management Company, or
- III. that the Fund incurs damage or costs that are not in the interests of the shareholders.

Anyone wishing to acquire shares in the Fund shall state to the Management Company the national domicile. Furthermore, shareholders are obliged, if applicable, to notify the Management Company of any changes in national domicile.

Buyers of shares in the Fund shall further confirm to the Management Company that he or she is not a U.S. Person and that the fund shares are acquired through a transaction outside the United States in accordance with Regulation S.

Subsequent transfer of the shares or rights thereto will only be made to a non-US person and shall be affected through a transaction outside the United States subject to the exemption under Regulation S.

If the Management Company considers that it is not entitled to offer, sell or otherwise distribute fund shares as above, the Management Company is entitled to refuse the execution of such assignment of shares in the Fund and, where applicable, without prior consent, to redeem such shares in the Fund on his behalf and thus paying out additional funds to him.

## **ABOUT CAPTOR DAHLIA GREEN BOND**

### **OBJECTIVES AND INVESTMENT POLICY**

Captor Dahlia Green Bond is an actively managed bond fund that invests in green bonds as well as bonds with different sustainability themes such as social and sustainable bonds. More information on what is considered as sustainable bonds can be found in the prospectus. Furthermore, an independent sustainability assessment is made to ensure that the bond finances sustainable projects. The fund applies a screening to ensure that the fund's holdings comply with international norms and conventions such as the UN Global Compact and the OECD guidelines for multinational companies.

The fund also invests in other fixed income securities and derivatives. A bond's risk factors credit, currency and interest rate are considered separately and can be balanced to the desired level using derivatives at a portfolio level.

Credit exposure is allowed to be global in order to enable diversification, while currency and interest rate risk are concentrated in the currency of the Unit Class.

By temporarily investing in covered bonds in conjunction with large inflows, the fund can avoid investing in sustainable bonds that are expensive at the moment or that otherwise do not fit into the management strategy. This means that the proportion of green bonds can vary over time.

The fund aims to achieve the best possible return without applying higher risk than the A rating according to Morningstar's portfolio model.

### **RISK AND REWARD PROFILE**

The fund belongs to risk Category 2, which means a low risk for ups and downs in the share value. The category can change over time.

The following risks are not fully reflected in the risk/return indicator but still affect the value of the fund:

The fund invests in bonds that are generally characterized by lower risk than the stock market. The exposure entails credit risk on the issuing company, i.e. the risk that the company cannot repay the bond in full. The fund mitigates credit risk by diversification over issuers and sectors.

Furthermore, the fund is exposed to counterparty risk, i.e. the risk that a counterparty will not fulfil its obligations to the Fund, for example by not paying a set amount or not delivering securities in accordance with an agreement.

Subscriptions and redemptions in the fund may create a liquidity risk for the fund if certain instruments are illiquid. Margining requirements for derivative instruments may also constitute liquidity risk. The fund manages liquidity risk through continuous liquidity forecasts and the possibility of bridge financing through securities lending.

## **USE OF SECURITIES FINANCING TRANSACTIONS**

The Fund primarily performs transactions for securities financing in connection with collateral management to minimize positions in cash and cash equivalents. Furthermore, they constitute preparedness for situations where the fund does not receive cash on time. More information on the use of securities financing transactions can be found under the heading General Information Regarding the funds.

## **LEVEL OF ACTIVITY**

The Fund's activity level is described using the activity measurement tracking error, which shows how much the difference between the Fund's return and the benchmark index return varies over time.

Captor Dahlia Green Bond is compared with Bloomberg MSCI Euro Corp Green Bond Index hedged to SEK (H31617SE). Dahlia's investment strategy, where green bonds are actively chosen, matches the selection made for the index Bloomberg MSCI Euro Corp Green Bond. The index has FX-hedged versions that correspond to the risk profile of the fund's share classes.

The activity ratio is reported as a percentage and is calculated as the standard deviation, the average deviation from the average deviation, for the difference between the Fund's and the benchmark index return. The higher the activity level of the fund, the greater the average deviation. The calculation does not take into account whether the deviation is positive or negative.

The achieved historical level of activity in the Fund for the last ten calendar years is shown below, or, if the Fund has existed for less than 10 years but more than two years, as many full years as the Fund has existed. The calculation of active risk is based on monthly data from the last two calendar years.

Year	Active risk
2014	
2015	
2016	
2017	
2018	
2019	
2020	
2021	2,15%
2022	2,35%
2023	2,5%

## **PRIMARY DEALER**

The company does not use any primary dealer.

## **TARGET INVESTORS**

The fund may be unsuitable for investors who plan to make withdrawals from the fund within 2 years.

## **ANNUAL REPORT**

The annual report is prepared in accordance with the fund rules.

## **HISTORICAL RETURNS**

Historical returns can be found on the Management Company's website: [www.captor.se/fonder](http://www.captor.se/fonder).

## **RESPONSIBLE INVESTMENTS**

The Fund follows the Captor Group's policy for responsible investments. The information presented in accordance with Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR) is presented as an appendix at the end of this document.

## **SUSTAINABILITY RISKS**

Captor Dahlia Green Bond invests in sustainable bonds, such as green- or social bonds. The sustainable investment goal is to make a positive contribution

to various environmental effects, including an increased share of renewable energy, reduced emissions, positive development of biodiversity, efficient use of resources and circular economy.

To reduce the fund's exposure to sustainability risks the fund uses the "exclusion"- and "inclusion method". When using the inclusion method, a thorough analysis of the bond's framework is conducted before making an investment. This analysis evaluates the framework and the second party opinion in terms of credibility, potential weaknesses, or other factors that may pose a sustainability risk to the investment.

The fund excludes companies where the fund manager has identified clear sustainability risks, such as companies that violate climate-related norms and conventions, as the fund sees a risk that such companies may face negative consequences like reputational risk or increased costs in fines. This analysis also includes the ESG team comparing the framework's project categories with similar projects carried out by the issuer or another company to identify potential sustainability risks that have not been addressed in the external third-party review or in the framework.

In order to contribute to the transition in so called hard-to-abate sectors with high emissions to become more sustainable ones, the fund does not apply a specific threshold for involvement in fossil fuels at the company level. This means that the investment can be made in green bonds issued by high emitting companies if the ESG team determines that the framework is sufficiently robust and will substantially contribute to the transition. One example is investing in companies involved in natural gas that issue green bonds to finance renewable energy projects in order to reduce their involvement in fossil fuels and eventually phase out this activity.

To address sustainability risk that may arise in such transition companies the fund implements an additional analysis where potential risks are considered, and requirements are set to make sure the green bond framework is robust and have a significant impact on the company's emissions. These holdings are also regularly monitored, and there may be ongoing dialogue with the company to follow up on their transition efforts.

Since Captor Dahlia Green Bond invests in bonds and other fixed income instruments the fund cannot exercise voting as a method of engagement. The fund company still has contact with companies and other market stakeholders to influence them and to exchange knowledge on various sustainability issues, thereby reducing different sustainability risks.

The fund management company also integrates the process of identifying sustainability risks with the application of the Do no significant harm (DNSH) principle for the fund's holdings. This means that parts of the above strategy for reducing sustainability risks in the fund are also applicable to the process of assessing DNSH for all funds sustainable investments, if relevant.

In times of high inflows in the fund, the fund may need to invest in bonds issued

or guaranteed by governments, municipalities or supranational organizations to manage liquidity and avoid being forced to purchase illiquid bonds. This means that some issuers may not always be covered by external screening services available in the market. Therefore, an internal analysis of potential sustainability risks is sometimes required. The methodology for this analysis is based on the adverse sustainability impact (PAI), where the fund conducts an internal assessment based on these indicators to identify potential sustainability risks. This may, for example, apply to governance risks such as money laundering and corruption when investing in these types of bonds. However, the fund management company emphasizes that this is done solely for liquidity management purposes and historically, the fund has had between 90-100% sustainable investments annually.

## **CAPTOR DAHLIA GREEN BOND FUND RULES**

*The English version is a translation of the original in Swedish for information purposes only. In case of a discrepancy, the Swedish original will prevail.*

### **§ 1 The Fund**

The fund's name is Captor Dahlia Green Bond ("the Fund"). The Fund is a UCITS fund in accordance with the Investment Funds Act (2004:46)<sup>2</sup> ("IFA").

The Fund cannot acquire rights or assume obligations or bring proceedings before a court or other authority. Assets that are included in the Fund may not be forfeited and the shareholders will not be liable for obligations related to the Fund. The Management Company represents the shareholders in matters relating to the Fund, decides on the assets that constitutes the Fund holdings and exercises the rights arising from the Fund.

The Fund assets are jointly owned by the shareholders and each share in a share class carries equal rights to the assets included in the fund. The fund consists of share classes, which means that the share value in one share class will differ from the share value of another share class.

Operations are conducted in accordance with these Fund Rules, the Management Companies articles of association, IFA and other applicable regulations.

The Fund consists of the following share classes:

Share Class A: A maximum management fee of 0.60 percent. Initial subscription must amount to at least SEK 100.

Share Class B: A maximum management fee of 0.40 percent. Initial subscription must amount to at least SEK 1 000 000.

Share Class C: A maximum management fee of 0.25 percent. Initial subscription must amount to at least SEK 10 000 000.

Share Class D: A maximum management fee of 0.25 percent. Initial subscription must amount to at least EUR 1 000 000. Share Class D is currency hedged to EUR, which means that the share class' currency exposure is hedged from the fund's base currency (SEK) to EUR. The purpose of currency hedging is to limit the effect related to fluctuations in the exchange rate between the base currency (SEK) and the share class reference currency (EUR). Profits and losses as well as costs related to this currency hedging are only allocated to Share Class D and do not affect the fund's other share classes.

Share Class E: A maximum management fee of 0.25 percent. Initial subscription must amount to at least SEK 10,000,000. Share Class E is dividend paying. See section 12 for conditions regarding dividends.

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<sup>2</sup>The implementation of the UCITS Directive 2009/65/EC into Swedish law

## **§ 2 Management Company**

The fund is managed by Captor Fund Management AB ("The Management Company").

## **§3 The Depositary and its Duties**

The Fund's assets are kept in custody by Swedbank AB (publ) ("The Depositary"). The Depositary shall execute on all instructions by the Management Company which do not contravene the provisions of the IFA or the Fund Rules. The Depositary shall further receive and keep in custody all assets that constitutes the holdings of the Fund and ensure;

- subscription and redemption of shares takes place in accordance with law and Fund Rules,
- the value of the fund shares is calculated in accordance with law and Fund Rules,
- that the assets of the Fund will be deposited without delay at the depositary, and
- that the funds in the Fund are used in accordance with the provisions of law and Fund Rules.

## **§ 4 Characteristics of the Fund**

The Fund is a fixed income fund that invests in bonds and other interest-bearing financial instruments in Swedish krona and in foreign currencies.

The Fund mainly invests its funds in so called green bonds, which refers to bonds and other fixed income securities and derivatives with various sustainability themes such as green bonds, social bonds and sustainability bonds. More information on what is meant by green bonds can be found in the prospectus.

The Fund's objective is to achieve the best possible risk-adjusted return, taking into account the Fund's investment policy.

The Fund is managed in accordance with the Captor Group's policy on responsible investment. See also [www.captor.se](http://www.captor.se).

## **§ 5 Investment Policy**

The Fund's funds may be invested:

- in transferable securities,
- in money market instruments,
- in fund shares,

- in a deposit with a credit institution, and
- in derivative instruments.

The Fund's capital is invested with an objective of achieving 100% green bonds. At any one time, at least 50% of the Fund's capital is invested in green bonds. Green bonds are bonds and other interest-bearing financial instruments with different sustainability themes such as green bonds, social bonds, and sustainability bonds. Green bonds are issued by companies as well as municipalities, governments, international organizations, and others. More information about the fund's sustainability work and what is meant by green bonds can be found in the Prospectus.

At least 70 percent of the Fund's assets are invested in bonds or other interest-bearing securities issued by companies, including credit institutions, and other issuers such as municipalities, governments, and international organizations, etc. When investing in derivative instruments, underlying assets shall consist of or be attributed to assets referred to in chapter 5. section 12, first paragraph IFA.

A maximum of 10 percent of the Fund's value may be invested in fund shares.

The Fund may raise short term loans to amounts that are no more than 10 percent of the Fund's value. The Fund may lend transferable securities to an extent equivalent to a maximum of 20 percent of the Fund's value.

The average duration should not exceed ten years.

## **§ 6 Special Investment policy**

The Fund may invest in transferable securities referred to in chapter 5, section 5 IFA. The Fund may not invest in money market instruments referred to in chapter 5, section 5 IFA.

The Fund invests in derivative instruments as part of its investment policy.

The Fund's funds may also be invested in derivative instruments specified in chapter 5, section 12, second paragraph IFA (OTC derivatives).

The Fund uses FX derivatives to hedge its holdings denominated in currencies other than Swedish krona.

The Fund may use the techniques and instruments referred to in chapter 25, section 21 of the Swedish Financial Supervisory Authority's regulations (FFFS 2013: 9) on mutual funds with the aim of reducing costs and risks in the Fund or with a view to increasing returns and creating leverage in the Fund.

## **§ 7 Trading Venues**

The Fund may trade on a regulated or equivalent market outside the European Economic Area ("EEA") and in another markets, within or outside the EEA, which is regulated and open to the public.

## § 8 Valuation

The value of the Fund is calculated by deducting from the Fund's assets the liabilities relating to the Fund.

The value of a Fund share is normally calculated every Swedish banking day by the Management Company.

Financial instruments included in the Fund are valued on the basis of the current market value. Market prices are primarily used. If such prices are not available or if the prices in the Management Company's assessment are misleading, financial instruments may be included at the value determined by the Management Company on an objective basis. When valuing on an objective basis, a market value is determined based on information on the most recently paid price or indicative purchase price from the market-maker if such has been appointed for the issuer. If this information is missing or not considered reliable, the market value is determined using information from counterparties or other external sources. Liquid funds and current receivables (investments in credit institution accounts, short investments in the money market and receivables for sold securities) are valued at the amount they are expected to settle.

Regarding transferable securities referred to in Chapter 5. Section 5 of the IFA, in the absence of an active market, a special valuation is carried out where a market value is determined on objective grounds, among other things the following factors can be considered:

- the possibility of selling the instrument
- market prices from unregulated markets or other independent sources
- initial cost
- discounted cash flows
- equity ratio of equity (year-end valuation)
- corporate events with an impact on market value.

If the market price for valuation of OTC derivatives cannot be determined according to one of the alternatives above or becomes obviously different, a valuation is determined on objective grounds according to a so-called model valuation. Such valuation uses standard models established based on equivalent models used by active market participants in the type of OTC derivative that is valued. Examples of standard models are Black & Scholes regarding options or interpolated zero coupon valuation for instruments such as interest rate swaps. In addition to the model choice, the models' market parameters are also taken from prices of standard instruments quoted by active market participants.

The Fund's liabilities include, in addition to liabilities that have arisen as a result of the Fund's operations, future tax liabilities and management compensation.

The value of a fund share is the Fund's value as above divided by the number of outstanding fund shares, considering the conditions associated with each share

class.

## **§ 9 Subscription and Redemption of Fund Shares**

The Fund is normally open for subscription and redemption of fund shares every Swedish banking day.

Notification of subscription or redemption of fund shares must be made for share class C, D and E no later than 10:00 on ordinary banking days. The remaining share classes must be registered no later than 14:00 on ordinary banking days.

Requests for the subscription or redemption of fund shares may only be withdrawn if the Management Company so permits.

Subscription and redemption take place at a, by the time of request, unknown price. Information of the subscription and redemption price regarding the previous banking day can be obtained from the Management Company or the Depository.

The subscription price for a fund share amounts to the fund share's value on the day of sale calculated in accordance with section 8 and any additional transaction costs in share classes C, D and E in accordance with § 11.

The redemption price for a fund share amounts to the fund share's value on the redemption date calculated in accordance with section 8 and any additional transaction costs in share classes C, D and E in accordance with § 11.

The value of the fund shares is determined and published no later than 11:00 ordinary Swedish banking day on the Management Company's website. Settlement and delivery of fund shares as well as Portfolio transactions, respectively, are carried out according to the normal settlement cycle (two banking days) following the notification of subscription and redemption.

If the value of the Fund's assets exceeds SEK 5 000 000 000 the Board of Directors has the right to decide to close for subscription of fund shares. If the assets of the fund fall below the capital limit after the Fund has been closed, the opportunity to subscribe may again be offered.

The Fund may be closed for subscription and redemption of fund shares if the Fund has such a large holding of financial instruments in an underlying market that is wholly or partially closed that the Fund cannot be valued in a way that ensures a fair valuation with respect to all shareholders.

## **§ 10 Closing of the Fund under Extraordinary Circumstances**

The Fund may be closed for subscription and redemption if extraordinary circumstances have occurred that mean that the valuation of the Fund's assets cannot be done in a way that ensures the equality of shareholders.

## **§ 11 Fees and Compensation**

From the funds of the Fund, remuneration may be paid to the Management Company for its management, marketing, and administration of the Fund. Remuneration is calculated daily on the value of the Fund and may amount to a maximum of 0.60 per year in share class A, 0.4 per cent per year in share class B and 0.25 per cent per year in share class C, D and E. Remuneration includes costs for depositary, supervision, and auditors.

The Fund shall be charged all costs for brokerage, tax, etc. when buying or selling financial instruments.

Value added tax applies at any time to the remuneration according to the above.

### **Additional Transaction Costs in Share Classes B, C, D and E**

In the case of subscription, a fee of no more than 2 percent of the subscription amount will be added only to the Fund for the Fund's transaction costs in connection with the sale. Upon redemption, a redemption fee of no more than 2 percent of the redemption amount will be added only to the Fund for the Fund's transaction costs in connection with the redemption.

For subscription and redemption of fund shares, the customer may request to cover his own transaction costs. At the request of the client, the Management Company shall, no later than at 12:00 a.m. on the same day, provide a list of such financial instruments ("Portfolio Transactions") the Fund will need to trade to cover such subscriptions or redemptions in order to maintain the desired level of risk. The client may elect to act as counterparty to one or more of such Portfolio Transactions and/or, for the Portfolio Transactions the Fund Company executes in the market as a result of subscription or redemption, pay/receive, for respective Portfolio Transaction, the difference between the execution price, including direct costs and valuation according to the same principles and prices as the fund share price is determined. Subscription or redemption as above can be requested on any ordinary banking day.

## **§ 12 Dividend**

Dividends are paid each year to fund shareholders who are registered in the shareholder register as holders of fund shares of share class B on a date determined by the Fund Company ("Record Date"). Dividends are paid in May and determined by the Management Company.

The share class shall pay an annual dividend corresponding to the Fund's yield received from the previous Reconciliation Date, with an adjustment for the dividend share class' share of the total fund assets.

The dividend affects the relationship between the value of non-dividend paying share class shares and the value of the dividend paying share class shares by

reducing the value of the dividend paying share class shares in relation to the size of the dividend.

## **§ 13 The Fund's Fiscal Year**

The Fiscal year of the fund is calendar year.

## **§ 14 Half-yearly and Annual reports, Updates of Fund Prospectus**

The Management Company shall submit an annual report of the Fund within four months of the end of the financial year. The annual report shall be sent to the Swedish Financial Supervisory Authority and sent free of charge to all shareholders who have requested to receive this and are available at the Management Company and the Depositary.

The Management Company shall submit a half-yearly report of the Fund for the first six months of the financial year within two months of the end of the first six months. The half-yearly report must be sent to the Swedish Financial Supervisory Authority and sent free of charge to all shareholders who have requested to receive this and are available at the Management Company and the Depositary.

## **§ 15 Amendments of Fund Rules**

The Management Companies Board of Directors decides on changes in the Fund Rules. After the Swedish Financial Supervisory Authority approves the changes, the amended Fund Rules shall be made available by the Management Company and the Depositary, and shall be announced, as the case may be, in the manner specified by the Swedish Financial Supervisory Authority.

## **§ 16 Pledging and Transfer of Ownership**

Shareholders may pledge their shares in the Fund, unless the shareholder is a pension savings institution that has invested pension savings funds on behalf of pension savers or insurance companies that have invested pension savings funds on behalf of pension savers.

The pledge is made by the pledgor or pledgee notifying the Management Company in writing of the pledge. The notice shall state:

1. who is the shareholder/pledgor,
2. who is the pledgee,
3. which fund shares are covered by the pledge; and
4. any restrictions on the scope of the pledge.

The notification must be signed by the pledgor.

Requests for transfer of fund shares shall be notified in writing to the Management Company. Shareholders are responsible for ensuring that the notification is duly signed. The notification of transfer must indicate transferor and to whom the shares are transferred, his/her social security number/organization number, address, telephone number, securities account or custodian bank and custodian number, bank account and the purpose of the transfer.

The transfer of a share requires that the Management Company admit the transfer. Such consent is only given by the Management Company if the transfer is made to carry out division of property of matrimonial property, refers to a gift to the spouse or own children or refers to transfers between different legal entities within the same corporation group.

## **§ 17 Limited Liability**

The Management Company or the Depositary is not liable for damage caused by Swedish or foreign law, Swedish or foreign government action, event of war, strike, blockade, boycott, lockout or other similar circumstance. The reservation of liability with regard to strike, blockade, boycott and lockout applies even if the Management Company or the Depositary is the subject of or itself takes such a conflict action.

Damage incurred in other cases shall not be compensated by the Management Company or the Depositary if the Management Company and the Depositary were normally careful. The Management Company or Depositary is in no case responsible for indirect damage, unless the indirect damage was caused by the gross negligence of the Management Company or Depositary.

The Management Company or the Depositary shall not be liable for any damage caused by the Swedish or foreign stock exchange or other marketplace, custodian, central securities depository, clearing organization, or other provider of similar services, nor by contractors hired by the Management Company or the Depositary with due care or as a trust company. The same applies to damage caused by the above-mentioned organizations or contractors becoming insolvent. The Management Company or the Depositary shall not be liable for damages incurred by the Management Company, shareholders in the Fund or any other in connection with disposal restrictions that may be applied against the Management Company or the Depositary in respect of securities.

If the Management Company or the Depositary is obstructed to execute a measure in whole or in part under these fund rules due to the circumstances mentioned in the first paragraph, the measure may be postponed until the obstacle has ceased. In the event of a deferred payment, the Management Company or the Depositary shall not pay interest on late payments.

If interest is pledged, the Management Company or the Depositary shall pay interest according to the interest rate applicable on the due date.

If the Management Company or the Depositary is prevented from receiving payment for the Fund as a result of the circumstances specified in the first paragraph, the Management Company or the Depositary for the period during which the obstacle existed is entitled to interest only under the conditions applicable on the due date.

Notwithstanding the above, the Management Company and the Depositary are liable for damages pursuant to chapter 2, section 21 and Chapter 3, section 14-16 IFA.

## **§ 18 Restriction on Sales Rights**

The Fund or fund shares are not and are not intended to be registered in accordance with, at any time, the United States Securities Act 1933 or the United States Investment Companies Act 1940 or other applicable laws in the United States.

Fund shares (or rights to fund shares) may not be offered, sold or otherwise distributed to or on behalf of the U.S. Persons (as defined in Regulation S of the United States Securities Act and interpreted in the United States Investment Companies Act 1940).

Fund shares may also not be offered, sold or otherwise distributed to natural or legal persons if, in the Management Company's assessment, this would involve or entail a risk of;

- I. violation of Swedish or foreign law or constitution,
- II. that the Management Company must take special registration or other measures or incur significant disadvantages for tax or economic reasons, and this cannot reasonably be required by the Management Company, or
- III. that the Fund incurs damage or costs that are not in the interests of the shareholders.

Anyone wishing to acquire shares in the Fund shall state to the Management Company the national domicile. Furthermore, shareholders are obliged, if applicable, to notify the Management Company of any changes in national domicile.

Buyers of shares in the Fund shall further confirm to the Management Company that he or she is not a U.S. Person and that the fund shares are acquired through a transaction outside the United States in accordance with Regulation S. Subsequent transfer of the shares or rights thereto will only be made to a non-US person and shall be affected through a transaction outside the United States subject to the exemption under Regulation S.

If the Management Company considers that it is not entitled to offer, sell or otherwise distribute fund shares as above, the Management Company is entitled to refuse the execution of such assignment of shares in the Fund and, where applicable, without prior consent, to redeem such shares in the Fund on his behalf

and thus paying out additional funds to him.

# **ABOUT CAPTOR ASTER GLOBAL CREDIT**

## **OBJECTIVES AND INVESTMENT POLICY**

The fund is a global corporate bond fund. The bonds must have good credit quality (investment grade) and an average duration of between 7 and 15 years. Share class C is currency hedged to Swedish kronor.

The Fund's objective is to generate a high risk-adjusted return within the framework of its risk limitations. The fund invests capital in corporate bonds or covered mortgage bonds, or bonds issued or guaranteed by governments, municipalities and supranational organizations in combination with credit derivatives in order to create a corresponding exposure. The Fund mainly uses interest rate derivatives to maintain its duration.

Subscription and redemption of fund shares can normally take place every Swedish banking day. The fund does not pay dividends.

## **RISK AND REWARD PROFILE**

The fund belongs to risk Category 3, which means average to low risk for ups and downs in the share value. The category can change over time.

The following risks are not fully reflected in the risk/return indicator but still affect the value of the fund:

The fund invests in fixed income instruments which are generally characterized by a lower risk than the stock market. However, the exposure involves credit risk against the issuing company, i.e., the risk that the company cannot repay its debt in full. The fund manages the risk by diversifying issuers, limiting credit risk to investments in bonds with good credit quality (investment grade) and derivative instruments with a corresponding reference.

The fund is exposed to counterparty risk, i.e., the risk that the counterparty will not fulfil its obligations to the fund. This can be done, for example, by the counterparty not paying a predetermined amount or by not delivering securities in accordance with an agreement. If possible, derivative instruments are traded with a central counterparty and hedged daily. For derivatives that are traded in accordance with bilateral agreements, corresponding collateral management is required.

Subscription and redemption in the fund can create liquidity risk for the fund if certain instruments are illiquid. Marginal collateral requirements regarding derivative instruments and the risk that customers do not pay on time can also constitute liquidity risk. The Fund manages liquidity risk through continuous liquidity forecasts and the possibility of bridge financing through securities lending.

## **USE OF SECURITIES FINANCING TRANSACTIONS**

The Fund primarily performs transactions for securities financing in connection with collateral management to minimize positions in cash and cash equivalents. Furthermore, they constitute preparedness for situations where the Fund does not receive cash on time. More information on the use of securities financing transactions can be found under the heading General Information Regarding the Funds.

## **LEVEL OF ACTIVITY**

At present, all existing corporate bond indices are constructed in a way that deviates significantly from the fund's management strategy, which is why they are not suitable for evaluating the fund's performance. The fund owns AAA mortgage bonds in SEK and takes received-fixed positions in SEK interest rate swaps. The fund primarily takes credit exposure via index CDS (Credit Default Swaps). The underlying Investment Grade indices of the most liquid CDS contracts are equally weighted, which deviates from outstanding issue amount weights in corporate bond indices. Furthermore, the issuers in the CDS indices do not correspond sufficiently to the bond issuers in corporate bond indices. Therefore, as the fund does not have a relevant index to compare with, the degree of activity cannot be reported.

## **PRIMARY DEALER**

The company does not use any primary dealer.

## **TARGET INVESTORS**

The Fund may be unsuitable for investors who plan to make withdrawals from the fund within 3 years.

## **ANNUAL REPORT**

The annual report is prepared in accordance with the Fund Rules.

## **HISTORICAL RETURNS**

Historical returns can be found on the Management Company's website:  
[www.captor.se/fonder](http://www.captor.se/fonder).

## **RESPONSIBLE INVESTMENTS**

The Fund follows the Captor Group's policy for responsible investments. The information presented in accordance with Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR) is presented as an appendix at the end of this document.

## **SUSTAINABILITY RISKS**

The section General sustainability information in this document contains information regarding definitions of sustainability risks and how the Management Company considers them in all funds. Below, there is specific information relating to sustainability risks in Captor Aster Global Credit.

The fund invests in covered bonds, supranational bonds, as well as bonds issued or guaranteed by states and/or municipalities. Consequently, not every issuer will be available in the third-party sustainability data services available on the market. In such cases, a complementary analysis regarding potential sustainability risks is conducted. Such analysis is based on principle adverse impact indicators (PAI), where the company Head of Sustainable Investment does an internal assessment based on these indicators to identify potential sustainability risks. In this category of investments, potential sustainability risks are, for example, governance risks such as money laundering and corruption.

Additionally, the fund invests in CDS indices, meaning that the fund company is unable to engage with companies as it does not own any shares. To neutralize sustainability risks in the fund, Captor has developed an ESG hedge, taking an active decision to minimize sustainability risks in the fund.

The fund's sustainability risk is determined to be low, meaning a limited risk for negative impacts on yield.

## **CAPTOR ASTER GLOBAL CREDIT FUND RULES**

*The English version is a translation of the original in Swedish for information purposes only. In case of a discrepancy, the Swedish original will prevail.*

### **§ 1 The Fund**

The fund's name is Captor Aster Global Credit ("the Fund"). The Fund is a UCITS fund in accordance with the Investment Funds Act (2004:46) ("IFA").

The Fund cannot acquire rights or assume obligations or bring proceedings before a court or other authority. Assets that are included in the Fund may not be forfeited and the shareholders will not be liable for obligations related to the Fund. The Management Company represents the shareholders in matters relating to the Fund, decides on the assets that constitutes the Fund holdings and exercises the rights arising from the Fund.

The Fund assets are jointly owned by the shareholders and each share in a share class carries equal rights to the assets included in the fund. The fund consists of share classes, which means that the share value in one share class will differ from the share value of another share class.

Operations are conducted in accordance with these Fund Rules, the Management Companies articles of association, IFA and other applicable regulations.

The Fund consists of the following share classes:

Share Class A: A maximum management fee of 0.60 percent. Initial subscription must amount to at least SEK 100.

Share Class B: A maximum management fee of 0.40 percent. Initial subscription must amount to at least SEK 10 000 000. Share Class B is dividend paying. See § 12 for conditions regarding dividends.

Share Class C: A maximum management fee of 0.40 percent. Initial subscription must amount to at least SEK 10 000 000.

Share Class D: A maximum management fee of 0.40 percent. Initial subscription must amount to at least EUR 1 000 000. Share Class D is currency hedged to EUR, which means that the share class' currency exposure is hedged from the fund's base currency (SEK) to EUR. The purpose of currency hedging is to limit the effect related to fluctuations in the exchange rate between the base currency (SEK) and the share class reference currency (EUR). Profits and losses as well as costs related to this currency hedging are only allocated to Share Class D and do not affect the fund's other share classes.

Share Class E: A maximum management fee of 0.40 percent. Initial subscription must amount to at least NOK 10 000 000. Share Class E is currency hedged to NOK, which means that the share class' currency exposure is hedged from the fund's base currency (SEK) to NOK. The purpose of currency hedging is to limit the effect related to fluctuations in the exchange rate between the base currency

(SEK) and the share class reference currency (NOK). Profits and losses as well as costs related to this currency hedging are only allocated to Share Class E and do not affect the fund's other share classes.

Share Class F: A maximum management fee of 0.45 percent. Initial subscription must amount to at least SEK 100. The share class is associated with conditions for distribution: The share class is only open for subscription of fund shares through distribution channels that do not entitle the distributor to compensation for the distribution from the Management Company. Subscription can, for example, take place in connection with a distributor providing investment advice on an independent basis, through portfolio management or through mutual fund platforms that do not require third-party compensation.

If a shareholder with the same shares simultaneously fulfills the conditions for more than one share class, the shares can, at the shareholder's request, be re-distributed to the share class with the lowest management fee.

## **§ 2 Management Company**

The fund is managed by Captor Fund Management AB ("The Management Company").

## **§3 The Depositary and its Duties**

The Fund's assets are kept in custody by Swedbank AB (publ) ("The Depositary"). The Depositary shall execute on all instructions by the Management Company which do not contravene the provisions of the IFA or the Fund Rules. The Depositary shall further receive and keep in custody all assets that constitutes the holdings of the Fund and ensure;

- subscription and redemption of shares take place in accordance with law and Fund Rules,
- the value of the fund shares is calculated in accordance with law and Fund Rules,
- that the assets of the Fund will be deposited without delay at the depositary, and
- that the funds in the Fund are used in accordance with the provisions of law and Fund Rules.

## **§ 4 Characteristics of the Fund**

The Fund is a global corporate bond fund with currency-hedged share classes in Swedish kronor, Norwegian kroner and euros. The Fund's average duration shall be between 7 and 15 years. The fund's objective is to generate a higher return

than the return for a global portfolio of corporate bonds with good credit quality, at an equivalent risk level (VaR).

The Fund invests its funds in corporate bonds or alternatively in covered mortgage bonds and bonds issued or guaranteed by governments, municipalities and supranational organizations in combination with credit derivatives in order to create a corresponding exposure. Bonds and reference assets in credit derivatives must have good credit ratings, at least investment grade, at the time of investment. The Fund mainly uses interest rate derivatives to maintain the duration.

The Fund is suitable for investors with an investment horizon longer than 3 years.

## **§ 5 Investment Policy**

The Fund's funds may be invested:

- in transferable securities,
- in money market instruments,
- in a deposit with a credit institution, and
- in derivative instruments.

The Fund may raise short-term loans to amounts that are no more than 10 percent of the Fund's value. The Fund may lend transferable securities to an extent equivalent to a maximum of 20 percent of the Fund's value.

Underlying assets in derivative instruments included in the fund shall consist of or relate to assets in accordance with chapter 5, section 12 first paragraph IFA.

The fund may not invest in fund shares (of other mutual funds).

The Fund's total level of risk measured as volatility in returns is estimated to exceed the risk level in traditional Swedish fixed income funds but fall below the risk level for traditional Swedish equity funds. The objective is for the Fund's risk level, measured as an annual standard deviation over a rolling two-year period, to be in the range of 4-10 percent.

As an overall limitation of the Fund's risk-taking, the estimated total risk level for the Fund's exposures (positive and negative) based on relative historical Value-at-Risk ("VaR") may not be more than thirty (30) percent higher than VaR for the Fund's benchmark portfolio.

The Fund's total exposures are calculated using an absolute Value at Risk (VaR) model. The model consists of a historical, non-parametric, daily, one-sided VaR where the scenarios consist of daily value changes over the past 252 business days. Risk factors consist of 2, 10, and 20 years of risk-free interest rates and spread risk. VaR is calculated at 95% confidence intervals for daily changes in value, where the Fund's exposures (positive and negative) based on absolute VaR shall not exceed three (3) percent of the Fund's value.

The method of calculating the Fund's risk level using a VaR model is a useful tool in managing the Fund's risk but does not constitute a guarantee against impairment.

If the VaR limit is breached, a correction must be made as soon as practically possible. Reasonable consideration must then be given to the interests of fund shareholders.

## **§ 6 Trading Venues**

The Fund may invest on a regulated or equivalent market outside the European Economic Area ("EEA") and in another markets, within or outside the EEA, which is regulated and open to the public.

## **§ 7 Special Investment Policy**

The Fund may not invest in such transferrable securities and money market instruments referred to in chapter 5, section 5 IFA.

The Fund invests in derivative instruments as part of its investment policy.

The Fund's funds may also be invested in derivative instruments specified in chapter 5, section 12, second paragraph IFA (OTC derivatives).

The Fund uses FX derivatives to hedge its holdings denominated in currencies other than Swedish krona and for the purpose of hedging the share classes that are not denominated in the Fund's base currency SEK.

The Fund may use the techniques and instruments referred to in chapter 25, section 21 of the Swedish Financial Supervisory Authority's Regulations (FFFS 2013: 9) on Mutual Funds with the aim of reducing costs and risks in the Fund or with a view to increasing returns and creating leverage in the Fund.

## **§ 8 Valuation**

The value of the Fund is calculated by deducting from the Fund's assets the liabilities relating to the Fund.

The Fund's assets include transferable securities, cash, and cash equivalents, including short term investments in the money market and other assets belonging to the Fund.

Financial instruments included in the Fund are valued on the basis of the current market value. Market prices are primarily used. If such prices are not available or if the prices in the Management Company's assessment are misleading, financial instruments may be included at the value determined by the Management Company on an objective basis. When valuing on an objective basis, a market value is determined based on information on the most recently paid price or indicative purchase price from the market-maker if such has been appointed for the

issuer. If this information is missing or not considered reliable, the market value is determined using information from counterparties or other external sources. Liquid funds and current receivables (investments in credit institution accounts, short investments in the money market and receivables for sold securities) are valued at the amount they are expected to settle.

OTC derivatives that in their terms essentially correspond to exchange-traded derivatives (so-called look-alikes) that are included in the funds are valued on the basis of the current market value. In the first instance, the official closing price applies and if such is missing, the average of the bid price and the offered price for the respective held and sold position.

For other OTC derivatives included in the funds, the market value is determined on objective grounds according to a special valuation where the Valuation Officer uses generally accepted models. Non-linear OTC derivatives such as options are valued based on the Black-Scholes model. Linear OTC derivatives such as interest rate and currency swaps are valued through discounted cash flows.

The Fund's liabilities include, in addition to liabilities that have arisen as a result of the Fund's operations, future tax liabilities and management compensation.

The value of a fund share is the Fund's value as above divided by the number of outstanding fund shares, considering the conditions associated with each share class.

## **§ 9 Subscription and Redemption of Fund Shares**

The Fund is normally open for subscription and redemption of fund shares every Swedish banking day.

Notification of subscription or redemption of fund shares must be made for Share Class B, C, D and E no later than 10:00 on ordinary banking days. The other Share Classes must be registered no later than 14:00 on ordinary banking days.

Requests for the subscription or redemption of fund shares may only be withdrawn if the Management Company so permits.

Subscription and redemption take place at a, by the time of request, unknown price. Information of the subscription and redemption price regarding the previous banking day can be obtained from the Management Company or the Depository.

The subscription price for a fund share amounts to the fund share's value on the day of sale calculated in accordance with section 8 and any additional transaction costs in share classes B, C, D and E in accordance with § 11.

The redemption price for a fund share amounts to the fund share's value on the redemption date calculated in accordance with section 8 and any additional transaction costs in share classes B, C, D and E in accordance with § 11.

The value of the fund shares is determined and published no later than 11:00 ordinary Swedish banking day on the Management Company's website. Settlement and delivery of fund shares as well as Portfolio transactions, respectively, are carried out according to the normal settlement cycle (two banking days) following the notification of subscription and redemption.

If the value of the Fund's assets exceeds SEK 25,000,000,000, the Board of Directors has the right to decide to close for subscription of fund shares. If the assets of the fund fall below the capital limit after the Fund has been closed, the opportunity for subscription may again be offered.

The Fund may be closed for subscription and redemption of fund shares if the Fund has such a large holding of financial instruments in an underlying market that is wholly or partially closed that the Fund cannot be valued in a way that ensures a fair valuation with respect to all shareholders.

## **§ 10 Closing of the Fund under Extraordinary Circumstances**

The Fund may be closed for subscription and redemption if extraordinary circumstances have occurred that mean that the valuation of the Fund's assets cannot be done in a way that ensures the equality of shareholders.

## **§ 11 Fees and Compensation**

From the funds of the Fund, remuneration may be paid to the Management Company for its management, marketing, and administration of the Fund. Remuneration is calculated daily based on the value of the Fund and may not exceed the fixed fee specified in section 1. Remuneration includes costs for depositary, supervision, and auditors.

The Fund shall be charged all costs for brokerage, tax, etc. when buying or selling financial instruments.

Value added tax applies at any time to the remuneration according to the above.

### **Additional Transaction Costs in Share Classes B, C, D and E**

In the event of subscription, a subscription fee of a maximum of 2 percent of the fund share's value will be added as compensation only to the Fund for the Fund's transaction costs in connection with subscription. Upon redemption, a redemption fee of a maximum of 2 percent of the fund share's value will be added as compensation only to the Fund for the Fund's transaction costs in connection with redemption.

For subscription and redemption of fund shares, the customer can request to bear its own transaction costs. Upon request for such a procedure, the fund company shall, no later than 12:00 on the same day provide the client with a list of such financial instruments ("Portfolio Transactions") The Fund will need to

trade to cover such subscription or redemption in order to maintain the desired level of risk. The client may choose to engage as counterparty in one or more of such Portfolio Transactions and / or, for the Portfolio Transactions the Management Company executes in the market as a result of subscription or redemption, pay / receive, for each Portfolio Transaction, the difference between the execution price, including direct costs and the valuation price according to the same principles and exchange rates as used to determine the fund share value. Subscription or redemption as above can be requested every ordinary banking day.

## **§ 12 Dividend**

Dividends are paid each year to fund shareholders who are registered in the shareholder register as holders of fund shares of share class B on a date determined by the Fund Company ("Record Date"). Dividends are paid in May and determined by the Management Company.

The share class shall pay an annual dividend corresponding to the Fund's yield received from the previous Reconciliation Date, with an adjustment for the dividend share class' share of the total fund assets.

The dividend affects the relationship between the value of non-dividend paying share class shares and the value of the dividend paying share class shares by reducing the value of the dividend paying share class shares in relation to the size of the dividend.

## **§ 13 The Fund's Fiscal Year**

The fiscal year of the Fund is calendar year.

## **§ 14 Half-yearly and Annual reports**

The Management Company shall submit an annual report of the Fund within four months of the end of the financial year. The annual report shall be sent to the Swedish Financial Supervisory Authority and sent free of charge to all shareholders who have requested to receive this and shall be available at the Management Company and the Depositary.

The Management Company shall submit half-yearly reports of the Fund for the first six months of the financial year within two months of the end of the first six months. The half-yearly report must be sent to the Swedish Financial Supervisory Authority and sent free of charge to all shareholders who have requested to receive this and shall be available at the Management Company and the Depositary.

## **§ 15 Amendments of Fund Rules**

The Management Companies Board of Directors decides on amendments in the Fund Rules. After the Swedish Financial Supervisory Authority approves the amendments, the amended Fund Rules shall be made available by the Management Company and the Depositary, and shall be announced, as the case may be, in the manner specified by the Swedish Financial Supervisory Authority.

## **§ 16 Pledging and Transfer of Ownership**

If a shareholder wishes to pledge shares belonging to the shareholder in the Fund, the shareholder (the pledger) and/or the pledgee must notify the shareholder's custodian in writing in cases where the shares are nominee registered.

The notice shall state:

1. who is the shareholder/pledgor,
2. who is the pledgee,
3. which fund shares are covered by the pledge; and
4. any restrictions on the scope of the pledge.

The notification must be signed by the pledgor.

Requests for transfer of fund shares shall be notified in writing to the Management Company. Shareholders are responsible for ensuring that the notification is duly signed. The notification of transfer must indicate transferor and to whom the shares are transferred, his/her social security number/organization number, address, telephone number, securities account or custodian bank and custodian number, bank account and the purpose of the transfer.

The transfer of a share requires that the Management Company admit the transfer. Such consent is only given by the Management Company if the transfer is made to carry out division of property of matrimonial property, refers to a gift to the spouse or own children or refers to transfers between different legal entities within the same corporation group.

## **§ 17 Limited Liability**

The Management Company or the Depositary is not liable for damage caused by Swedish or foreign law, Swedish or foreign government action, event of war, strike, blockade, boycott, lockout or other similar circumstance. The reservation of liability with regards to strike, blockade, boycott and lockout applies even if the Management Company or the Depositary is the subject of or itself takes such a conflict action.

Damage incurred in other cases shall not be compensated by the Management Company or the Depositary if the Management Company and the Depositary

were normally careful. The Management Company or Depositary is in no case responsible for indirect damage unless the indirect damage was caused by the gross negligence of the Management Company or Depositary.

The Management Company or the Depositary shall not be liable for any damage caused by the Swedish or foreign stock exchange or other marketplace, custodian, central securities depository, clearing organization, or other provider of similar services, nor by contractors hired by the Management Company or the Depositary with due care or as a trust company. The same applies to damage caused by the above-mentioned organizations or contractors becoming insolvent. The Management Company or the Depositary shall not be liable for damages incurred by the Management Company, shareholders in the Fund or any other in connection with disposal restrictions that may be applied against the Management Company or the Depositary in respect of securities.

If the Management Company or the Depositary is obstructed to execute a measure in whole or in part under these provisions due to the circumstances mentioned in the first paragraph, the measure may be postponed until the obstacle has ceased. In the event of a deferred payment, the Management Company or the Depositary shall not pay interest on late payments.

If interest is pledged, the Management Company or the Depositary shall pay interest according to the interest rate applicable on the due date.

If the Management Company or the Depositary is prevented from receiving payment for the Fund as a result of the circumstances specified in the first paragraph, the Management Company or the Depositary for the period during which the obstacle existed is entitled to interest only under the conditions applicable on the due date.

Notwithstanding the above, the Management Company and the Depositary are liable for damages pursuant to chapter 2, section 21 and chapter 3, section 14-16 IFA.

## **§ 18 Restriction on Sales Rights**

The Fund or fund shares are not and are not intended to be registered in accordance with, at any time, the United States Securities Act 1933 or the United States Investment Companies Act 1940 or other applicable laws in the United States.

Fund shares (or rights to fund shares) may not be offered, sold or otherwise distributed to or on behalf of the U.S. Persons (as defined in Regulation S of the United States Securities Act and interpreted in the United States Investment Companies Act 1940).

Fund shares may also not be offered, sold or otherwise distributed to persons or legal entities if, in the Management Company's assessment, this would involve or entail a risk of;

- I. violation of Swedish or foreign law or constitution,
- II. that the Management Company must take special registration or other measures or incur significant disadvantages for tax or economic reasons, and this cannot reasonably be required by the Management Company, or
- III. that the Fund incurs damage or costs that are not in the interests of the shareholders.

Anyone wishing to acquire shares in the Fund shall state to the Management Company the national domicile. Furthermore, shareholders are obliged, if applicable, to notify the Management Company of any changes in national domicile.

Buyers of shares in the Fund shall further confirm to the Management Company that he or she is not a U.S. Person and that the fund shares are acquired through a transaction outside the United States in accordance with Regulation S.

Subsequent transfer of the shares or rights thereto will only be made to a non-US person and shall be affected through a transaction outside the United States subject to the exemption under Regulation S. If the Management Company considers that it is not entitled to offer, sell or otherwise distribute fund shares as above, the Management Company is entitled to refuse the execution of such assignment of shares in the Fund and, where applicable, without prior consent, to redeem such shares in the Fund on his behalf and thus paying out additional funds to him.

# **ABOUT CAPTOR ASTER GLOBAL CREDIT SHORT-TERM**

## **OBJECTIVES AND INVESTMENT POLICY**

The fund is a global corporate bond fund. The bonds must have good credit quality (investment grade) and a short interest rate duration while the maturity and thus the credit risk may be longer.

The Fund's objective is to generate a high risk-adjusted return within the framework of its risk limitations. The fund invests capital in corporate bonds or covered mortgage bonds, or bonds issued or guaranteed by governments, municipalities, and supranational organizations in combination with credit derivatives in order to create a corresponding exposure. The Fund mainly uses interest rate derivatives to maintain its duration.

Subscription and redemption of fund shares can normally take place every Swedish banking day. The fund does not pay dividends.

## **RISK AND REWARD PROFILE**

The fund belongs to risk category 2, which means average risk for ups and downs in the share value. The category can change over time.

The following risks are not fully reflected in the risk/return indicator but still affect the value of the fund:

The fund invests in fixed income instruments which are generally characterized by a lower risk than the stock market. However, the exposure involves credit risk against the issuing company, i.e., the risk that the company cannot repay its debt in full. The fund manages the risk by diversifying issuers, limiting credit risk to investments in bonds with good credit quality (investment grade) and derivative instruments with a corresponding reference.

The fund is exposed to counterparty risk, i.e., the risk that the counterparty will not fulfil its obligations to the fund. This can be done, for example, by the counterparty not paying a predetermined amount or by not delivering securities in accordance with an agreement. If possible, derivative instruments are traded with a central counterparty and hedged daily. For derivatives that are traded in accordance with bilateral agreements, corresponding collateral management is required.

Subscription and redemption in the fund can create liquidity risk for the fund if certain instruments are illiquid. Marginal collateral requirements regarding derivative instruments and the risk that customers do not pay on time can also constitute liquidity risk. The Fund manages liquidity risk through continuous liquidity forecasts and the possibility of bridge financing through securities lending.

## **USE OF SECURITIES FINANCING TRANSACTIONS**

The Fund primarily performs transactions for securities financing in connection with collateral management to minimize positions in cash and cash equivalents. Furthermore, they constitute preparedness for situations where the Fund does not receive cash on time. More information on the use of securities financing transactions can be found under the heading General Information Regarding the Funds.

## **LEVEL OF ACTIVITY**

At present, all existing corporate bond indices are constructed in a way that deviates significantly from the fund's management strategy, which is why they are not suitable for evaluating the fund's performance. The fund owns AAA mortgage bonds in SEK and takes received-fixed positions in SEK interest rate swaps. The fund primarily takes credit exposure via index CDS (Credit Default Swaps). The underlying Investment Grade indices of the most liquid CDS contracts are equally weighted, which deviates from outstanding issue amount weights in corporate bond indices. Furthermore, the issuers in the CDS indices do not correspond sufficiently to the bond issuers in corporate bond indices. Therefore, as the fund does not have a relevant index to compare with, the degree of activity cannot be reported.

## **PRIMARY DEALER**

The company does not use any primary dealer.

## **TARGET INVESTORS**

The Fund may be unsuitable for investors who plan to make withdrawals from the fund within 3 years.

## **ANNUAL REPORT**

The annual report is prepared in accordance with the Fund Rules.

## **HISTORICAL RETURNS**

Historical returns can be found on the Management Company's website:  
[www.captor.se/fonder](http://www.captor.se/fonder).

## **RESPONSIBLE INVESTMENTS**

The Fund follows the Captor Group's policy for responsible investments. The information presented in accordance with Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR) is presented as an appendix at the end of this document.

## **SUSTAINABILITY RISKS**

The section General sustainability information in this document contains information regarding definitions of sustainability risks and how the Management Company considers them in all funds. Below, there is specific information relating to sustainability risks in Captor Aster Global Credit.

The fund invests in covered bonds, supranational bonds, as well as bonds issued or guaranteed by states and/or municipalities. Consequently, not every issuer will be available in the third-party sustainability data services available on the market. In such cases, a complementary analysis regarding potential sustainability risks is conducted. Such analysis is based on principle adverse impact indicators (PAI), where the company Head of Sustainable Investment does an internal assessment based on these indicators to identify potential sustainability risks. In this category of investments, potential sustainability risks are, for example, governance risks such as money laundering and corruption.

Additionally, the fund invests in CDS indices, meaning that the fund company is unable to engage with companies as it does not own any shares. To neutralize sustainability risks in the fund, Captor has developed an ESG hedge, taking an active decision to minimize sustainability risks in the fund.

The fund's sustainability risk is determined to be low, meaning a limited risk for negative impacts on yield.

# **CAPTOR ASTER GLOBAL CREDIT SHORT-TERM FUND RULES**

*The English version is a translation of the original in Swedish for information purposes only. In case of a discrepancy, the Swedish original will prevail.*

## **§ 1 The Fund**

The fund's name is Captor Aster Global Credit Short-term ("the Fund"). The Fund is a UCITS fund in accordance with the Investment Funds Act (2004:46) ("IFA").

The Fund cannot acquire rights or assume obligations or bring proceedings before a court or other authority. Assets that are included in the Fund may not be forfeited and the shareholders will not be liable for obligations related to the Fund. The Management Company represents the shareholders in matters relating to the Fund, decides on the assets that constitutes the Fund holdings and exercises the rights arising from the Fund.

The Fund assets are jointly owned by the shareholders and each share in a share class carries equal rights to the assets included in the fund. The fund consists of share classes, which means that the share value in one share class will differ from the share value of another share class.

Operations are conducted in accordance with these Fund Rules, the Management Companies articles of association, IFA and other applicable regulations.

The Fund consists of the following share classes:

Share Class A: A maximum management fee of 0.40 percent. Initial subscription must amount to at least SEK 100.

Share Class B: A maximum management fee of 0.25 percent. Initial subscription must amount to at least SEK 10 000 000. Share Class B is dividend paying. See § 12 for conditions regarding dividends.

Share Class C: A maximum management fee of 0.25 percent. Initial subscription must amount to at least SEK 10 000 000.

Share Class D: A maximum management fee of 0.25 percent. Initial subscription must amount to at least EUR 1 000 000. Share Class D is currency hedged to EUR, which means that the share class' currency exposure is hedged from the fund's base currency (SEK) to EUR. The purpose of currency hedging is to limit the effect related to fluctuations in the exchange rate between the base currency (SEK) and the share class reference currency (EUR). Profits and losses as well as costs related to this currency hedging are only allocated to Share Class D and do not affect the fund's other share classes.

Share Class E: A maximum management fee of 0.25 percent. Initial subscription must amount to at least NOK 10 000 000. Share Class E is currency hedged to NOK, which means that the share class' currency exposure is hedged from the fund's base currency (SEK) to NOK. The purpose of currency hedging is to limit the effect related to fluctuations in the exchange rate between the base currency

(SEK) and the share class reference currency (NOK). Profits and losses as well as costs related to this currency hedging are only allocated to Share Class E and do not affect the fund's other share classes.

Share Class F: A maximum management fee of 0.30 percent. Initial subscription must amount to at least SEK 100. The share class is associated with conditions for distribution: The share class is only open for subscription of fund shares through distribution channels that do not entitle the distributor to compensation for the distribution from the Management Company. Subscription can, for example, take place in connection with a distributor providing investment advice on an independent basis, through portfolio management or through mutual fund platforms that do not require third-party compensation.

If a shareholder with the same shares simultaneously fulfills the conditions for more than one share class, the shares can, at the shareholder's request, be re-distributed to the share class with the lowest management fee.

## **§ 2 Management Company**

The fund is managed by Captor Fund Management AB ("The Management Company").

## **§3 The Depositary and its Duties**

The Fund's assets are kept in custody by Swedbank AB (publ) ("The Depositary"). The Depositary shall execute on all instructions by the Management Company which do not contravene the provisions of the IFA or the Fund Rules. The Depositary shall further receive and keep in custody all assets that constitutes the holdings of the Fund and ensure;

- subscription and redemption of shares take place in accordance with law and Fund Rules,
- the value of the fund shares is calculated in accordance with law and Fund Rules,
- that the assets of the Fund will be deposited without delay at the depositary, and
- that the funds in the Fund are used in accordance with the provisions of law and Fund Rules.

## **§ 4 Characteristics of the Fund**

The fund is a global corporate bond fund with currency-hedged share classes in Swedish kronor, Norwegian kroner and euros. The management strategy aims to give the investor exposure to a well-diversified global basket of corporate bonds with good credit quality. The fund's credit duration corresponds to the average

maturity of global corporate bonds, while interest rate durations are kept shorter with a maturity of less than one year.

The fund invests its capital in corporate bonds or alternatively in covered mortgage bonds and bonds issued or guaranteed by governments, municipalities and supranational organizations in combination with credit derivatives in order to create a corresponding exposure. Bonds and the reference assets in credit derivatives must have good credit ratings, at least investment grade at the time of investment. The fund mainly uses interest rate derivatives to maintain the fixed interest period.

The fund is suitable for investors with an investment horizon longer than 3 years.

## **§ 5 Investment Policy**

The Fund's funds may be invested:

- in transferable securities,
- in money market instruments,
- in a deposit with a credit institution,
- in fund units and
- in derivative instruments.

A maximum of 10 percent of the fund's value may be invested in other funds or fund companies.

The fund may raise short-term loans in amounts that correspond to a maximum of 10 percent of the fund's value. The fund may lend transferable securities to an extent corresponding to a maximum of 20 percent net of the fund's value.

Underlying assets in derivative instruments included in the fund shall consist of or relate to assets in accordance with chapter 5, section 12 first paragraph IFA.

The fund's interest duration must not exceed one year.

Bonds and the reference assets in credit derivatives must have good credit ratings, at least investment grade, at the time of investment.

The fund strives to be fully exposed to the global corporate bond market at all times, however, at least 90 percent.

The fund's total risk level measured as volatility in returns is estimated to exceed the risk level in traditional Swedish fixed income funds but fall below the risk level for traditional Swedish equity funds. The goal is for the Fund's risk level, measured as an annual standard deviation over a rolling two-year period, to be in the range of 2-10 percent.

The fund's total exposures are calculated using an absolute Value at Risk (VaR) model. The model consists of a historical, non-parametric, daily, one-sided VaR

where the scenarios consist of daily value changes over the last 252 business days. Risk factors consist of 2, 10, and 20 years of risk-free interest rates and credit spread risk. VaR is calculated at 95% confidence intervals for daily value changes where the Fund's exposures (positive and negative) based on absolute VaR shall not be more than three (3) percent of the fund's value.

The method of calculating the Fund's risk level using a VaR model is a useful tool in managing the Fund's risk, but does not constitute a guarantee against impairment.

If the VaR limit is exceeded, a correction must be made as soon as it can be done. Reasonable consideration must then be given to the interests of fund unit holders.

## **§ 6 Trading Venues**

The Fund may invest on a regulated or equivalent market outside the European Economic Area ("EEA") and in another markets, within or outside the EEA, which is regulated and open to the public.

## **§ 7 Special Investment Policy**

The Fund may not invest in such transferrable securities and money market instruments referred to in chapter 5, section 5 IFA.

The Fund invests in derivative instruments as part of its investment policy.

The Fund's funds may also be invested in derivative instruments specified in chapter 5, section 12, second paragraph IFA (OTC derivatives).

The Fund uses FX derivatives to hedge its holdings denominated in currencies other than Swedish krona and for the purpose of hedging the share classes that are not denominated in the Fund's base currency SEK.

The Fund may use the techniques and instruments referred to in chapter 25, section 21 of the Swedish Financial Supervisory Authority's Regulations (FFFS 2013: 9) on Mutual Funds with the aim of reducing costs and risks in the Fund or with a view to increasing returns and creating leverage in the Fund.

## **§ 8 Valuation**

The value of the Fund is calculated by deducting from the Fund's assets the liabilities relating to the Fund.

The Fund's assets include transferable securities, cash, and cash equivalents, including short term investments in the money market and other assets belonging to the Fund.

Financial instruments included in the Fund are valued on the basis of the current market value. Market prices are primarily used. If such prices are not available or if the prices in the Management Company's assessment are misleading, financial instruments may be included at the value determined by the Management Company on an objective basis. When valuing on an objective basis, a market value is determined based on information on the most recently paid price or indicative purchase price from the market-maker if such has been appointed for the issuer. If this information is missing or not considered reliable, the market value is determined using information from counterparties or other external sources. Liquid funds and current receivables (investments in credit institution accounts, short investments in the money market and receivables for sold securities) are valued at the amount they are expected to settle.

OTC derivatives that in their terms essentially correspond to exchange-traded derivatives (so-called look-alikes) that are included in the funds are valued based on the current market value. In the first instance, the official closing price applies and if such is missing, the average of the bid price and the offered price for the respective held and sold position.

For other OTC derivatives included in the funds, the market value is determined on objective grounds according to a special valuation where the Valuation Officer uses generally accepted models. Non-linear OTC derivatives such as options are valued based on the Black-Scholes model. Linear OTC derivatives such as interest rate and currency swaps are valued through discounted cash flows.

The Fund's liabilities include, in addition to liabilities that have arisen as a result of the Fund's operations, future tax liabilities and management compensation.

The value of a fund share is the Fund's value as above divided by the number of outstanding fund shares, considering the conditions associated with each share class.

## **§ 9 Subscription and Redemption of Fund Shares**

The Fund is normally open for subscription and redemption of fund shares every Swedish banking day.

Notification of subscription or redemption of fund shares must be made for Share Class B, C, D and E no later than 10:00 on ordinary banking days. The other Share Classes must be registered no later than 14:00 on ordinary banking days.

Requests for the subscription or redemption of fund shares may only be withdrawn if the Management Company so permits.

Subscription and redemption take place at a, by the time of request, unknown price. Information of the subscription and redemption price regarding the previous banking day can be obtained from the Management Company or the Depository.

The subscription or redemption price for a fund share amounts to the fund share's value on the day of subscription or redemption calculated in accordance with section 8 and any additional transaction costs in accordance with § 11.

The value of the fund shares is determined and published no later than 11:00 ordinary Swedish banking day on the Management Company's website. Settlement and delivery of fund shares as well as Portfolio transactions, respectively, are carried out according to the normal settlement cycle (two banking days) following the notification of subscription and redemption.

The Fund may be closed for subscription and redemption of fund shares if the Fund has such a large holding of financial instruments in an underlying market that is wholly or partially closed that the Fund cannot be valued in a way that ensures a fair valuation with respect to all shareholders.

## **§ 10 Closing of the Fund under Extraordinary Circumstances**

The Fund may be closed for subscription and redemption if extraordinary circumstances have occurred that mean that the valuation of the Fund's assets cannot be done in a way that ensures the equality of shareholders.

## **§ 11 Fees and Compensation**

From the funds of the Fund, remuneration may be paid to the Management Company for its management, marketing and administration of the Fund. Remuneration is calculated daily based on the value of the Fund and may not exceed 0,40 percent in Share Class A, 0,25 percent in Share Classes B-E and 0,30 percent in Share Class F. Remuneration includes costs for depositary, supervision and auditors.

The Fund shall be charged all costs for brokerage, tax, etc. when buying or selling financial instruments.

Value added tax applies at any time to the remuneration according to the above.

### **Additional Transaction Costs in Share Classes B, C, D and E**

Upon subscription and redemption, a dilution levy can be charged. The purpose is to keep existing / remaining unit holders unaffected by the transactions made as a consequence of a major subscription or redemption.

The fee corresponds to the fund's actual transaction costs for the subscription or redemption, however limited to a maximum of two percent of the subscribed or redeemed amount. The fee is attributed to the Fund.

The Investment Manager prepares a list of financial instruments ("Portfolio Transactions") that the Fund will need to trade to meet such subscription or redemption and maintain the desired risk profile. The result of the execution, both posi-

tive and negative, in relation to the valuations used in the NAV calculation constitutes the dilution levy. The dilution levy is calculated symmetrically and can thus be both positive as well as negative. In the event the execution outcome entails a cost for the Fund, the subscribing or redeeming party is charged the dilution levy. In the event the execution outcome constitutes an income for the Fund, the subscribing or redeeming party is reimbursed by being allocated so-called bonus shares corresponding to the dilution levy.

The fund company must no later than 12:00 the same day, at the customer's request, provide the customer with a list of Portfolio Transactions. The Client may choose to be a counterparty in one or more of such Portfolio Transactions, which must be notified to the Fund Company immediately. In the event that the client chooses to be a counterparty, these transactions will be settled by a bank or a securities company intervening. The closing price for such transactions is set at the market price at the closing time and is the same which then forms the basis for calculating the dilution levy. This means that net of all transactions (including the fee for dilution protection) are made at the same valuation used for the NAV calculation regarding subscribed or redeemed fund units.

## **§ 12 Dividend**

Dividends are paid each year to fund shareholders who are registered in the shareholder register as holders of fund shares of share class B on a date determined by the Fund Company ("Record Date"). Dividends are paid in May and determined by the Management Company.

The share class shall pay an annual dividend corresponding to the Fund's yield received from the previous Reconciliation Date, with an adjustment for the dividend share class' share of the total fund assets.

The dividend affects the relationship between the value of non-dividend paying share class shares and the value of the dividend paying share class shares by reducing the value of the dividend paying share class shares in relation to the size of the dividend.

## **§ 13 The Fund's Fiscal Year**

The fiscal year of the Fund is calendar year.

## **§ 14 Half-yearly and Annual reports**

The Management Company shall submit an annual report of the Fund within four months of the end of the financial year. The annual report shall be sent to the Swedish Financial Supervisory Authority and sent free of charge to all shareholders who have requested to receive this and shall be available at the Management Company and the Depositary.

The Management Company shall submit half-yearly reports of the Fund for the first six months of the financial year within two months of the end of the first six months. The half-yearly report must be sent to the Swedish Financial Supervisory Authority and sent free of charge to all shareholders who have requested to receive this and shall be available at the Management Company and the Depositary.

The Management Companies Board of Directors decides on amendments in the Fund Rules. After the Swedish Financial Supervisory Authority approves the amendments, the amended Fund Rules shall be made available by the Management Company and the Depositary, and shall be announced, as the case may be, in the manner specified by the Swedish Financial Supervisory Authority.

## **§ 15 Pledging and Transfer of Ownership**

If a shareholder wishes to pledge shares belonging to the shareholder in the Fund, the shareholder (the pledger) and/or the pledgee must notify the shareholder's custodian in writing in cases where the shares are nominee registered.

The notice shall state:

1. who is the shareholder/pledgor,
2. who is the pledgee,
3. which fund shares are covered by the pledge; and
4. any restrictions on the scope of the pledge.

The notification must be signed by the pledgor.

Requests for transfer of fund shares shall be notified in writing to the Management Company. Shareholders are responsible for ensuring that the notification is duly signed. The notification of transfer must indicate transferor and to whom the shares are transferred, his/her social security number/organization number, address, telephone number, securities account or custodian bank and custodian number, bank account and the purpose of the transfer.

The transfer of a share requires that the Management Company admit the transfer. Such consent is only given by the Management Company if the transfer is made in order to carry out division of property of matrimonial property, refers to a gift to the spouse or own children or refers to transfers between different legal entities within the same corporation group.

## **§ 17 Limited Liability**

The Management Company or the Depositary is not liable for damage caused by Swedish or foreign law, Swedish or foreign government action, event of war, strike, blockade, boycott, lockout or other similar circumstance. The reservation of liability with regards to strike, blockade, boycott and lockout applies even if the

Management Company or the Depositary is the subject of or itself takes such a conflict action.

Damage incurred in other cases shall not be compensated by the Management Company or the Depositary if the Management Company and the Depositary were normally careful. The Management Company or Depositary is in no case responsible for indirect damage, unless the indirect damage was caused by the gross negligence of the Management Company or Depositary.

The Management Company or the Depositary shall not be liable for any damage caused by the Swedish or foreign stock exchange or other marketplace, custodian, central securities depository, clearing organization, or other provider of similar services, nor by contractors hired by the Management Company or the Depositary with due care or as a trust company. The same applies to damage caused by the above-mentioned organizations or contractors becoming insolvent. The Management Company or the Depositary shall not be liable for damages incurred by the Management Company, shareholders in the Fund or any other in connection with disposal restrictions that may be applied against the Management Company or the Depositary in respect of securities.

If the Management Company or the Depositary is obstructed to execute a measure in whole or in part under these provisions due to the circumstances mentioned in the first paragraph, the measure may be postponed until the obstacle has ceased. In the event of a deferred payment, the Management Company or the Depositary shall not pay interest on late payments.

If interest is pledged, the Management Company or the Depositary shall pay interest according to the interest rate applicable on the due date.

If the Management Company or the Depositary is prevented from receiving payment for the Fund as a result of the circumstances specified in the first paragraph, the Management Company or the Depositary for the period during which the obstacle existed is entitled to interest only under the conditions applicable on the due date.

Notwithstanding the above, the Management Company and the Depositary are liable for damages pursuant to chapter 2, section 21 and chapter 3, section 14-16 IFA.

## **§ 18 Restriction on Sales Rights**

The Fund or fund shares are not and are not intended to be registered in accordance with, at any time, the United States Securities Act 1933 or the United States Investment Companies Act 1940 or other applicable laws in the United States.

Fund shares (or rights to fund shares) may not be offered, sold or otherwise distributed to or on behalf of the U.S. Persons (as defined in Regulation S of the United States Securities Act and interpreted in the United States Investment

Companies Act 1940).

Fund shares may also not be offered, sold or otherwise distributed to persons or legal entities if, in the Management Company's assessment, this would involve or entail a risk of;

- I. violation of Swedish or foreign law or constitution,
- II. that the Management Company must take special registration or other measures or incur significant disadvantages for tax or economic reasons, and this cannot reasonably be required by the Management Company, or
- III. that the Fund incurs damage or costs that are not in the interests of the shareholders.

Anyone wishing to acquire shares in the Fund shall state to the Management Company the national domicile. Furthermore, shareholders are obliged, if applicable, to notify the Management Company of any changes in national domicile.

Buyers of shares in the Fund shall further confirm to the Management Company that he or she is not a U.S. Person and that the fund shares are acquired through a transaction outside the United States in accordance with Regulation S.

Subsequent transfer of the shares or rights thereto will only be made to a non-US person and shall be affected through a transaction outside the United States subject to the exemption under Regulation S. If the Management Company considers that it is not entitled to offer, sell or otherwise distribute fund shares as above, the Management Company is entitled to refuse the execution of such assignment of shares in the Fund and, where applicable, without prior consent, to redeem such shares in the Fund on his behalf and thus paying out additional funds to him.

# **ABOUT CAPTOR ASTER GLOBAL HIGH YIELD**

## **OBJECTIVES AND INVESTMENT POLICY**

The fund is a global corporate bond fund. The bonds are allowed to have credit quality in the high yield segment and an average fixed interest period between 1 and 7 years.

The Fund's objective is to generate a high risk-adjusted return within the framework of its risk limitations. The fund invests capital in corporate bonds or covered mortgage bonds, or bonds issued or guaranteed by governments, municipalities, and supranational organizations in combination with credit derivatives in order to create a corresponding exposure. The Fund mainly uses interest rate derivatives to maintain its duration.

Subscription and redemption of fund shares can normally take place every Swedish banking day. The fund does not pay dividends.

## **RISK AND REWARD PROFILE**

The fund belongs to risk category 3, which means average to low risk for ups and downs in the share value. The category can change over time.

The following risks are not fully reflected in the risk/return indicator but still affect the value of the fund:

The fund invests in fixed income instruments which are generally characterized by a lower risk than the stock market. However, the exposure involves credit risk against the issuing company, i.e., the risk that the company cannot repay its debt in full. The fund manages the risk by diversifying issuers.

The fund is exposed to counterparty risk, i.e., the risk that the counterparty will not fulfil its obligations to the fund. This can be done, for example, by the counterparty not paying a predetermined amount or by not delivering securities in accordance with an agreement. If possible, derivative instruments are traded with a central counterparty and hedged daily. For derivatives that are traded in accordance with bilateral agreements, corresponding collateral management is required.

Subscription and redemption in the fund can create liquidity risk for the fund if certain instruments are illiquid. Marginal collateral requirements regarding derivative instruments and the risk that customers do not pay on time can also constitute liquidity risk. The Fund manages liquidity risk through continuous liquidity forecasts and the possibility of bridge financing through securities lending.

## **USE OF SECURITIES FINANCING TRANSACTIONS**

The Fund primarily performs transactions for securities financing in connection with collateral management to minimize positions in cash and cash equivalents.

Furthermore, they constitute preparedness for situations where the Fund does not receive cash on time. More information on the use of securities financing transactions can be found under the heading General Information Regarding the Funds.

## **LEVEL OF ACTIVITY**

At present, all existing corporate bond indices are constructed in a way that deviates significantly from the fund's management strategy, which is why they are not suitable for evaluating the fund's performance. The fund owns AAA mortgage bonds in SEK and takes received-fixed positions in SEK interest rate swaps. The fund primarily takes credit exposure via index CDS (Credit Default Swaps). The underlying Investment Grade indices of the most liquid CDS contracts are equally weighted, which deviates from outstanding issue amount weights in corporate bond indices. Furthermore, the issuers in the CDS indices do not correspond sufficiently to the bond issuers in corporate bond indices. Therefore, as the fund does not have a relevant index to compare with, the degree of activity cannot be reported.

## **PRIMARY DEALER**

The company does not use any primary dealer.

## **TARGET INVESTORS**

The Fund may be unsuitable for investors who plan to make withdrawals from the fund within 3 years.

## **ANNUAL REPORT**

The annual report is prepared in accordance with the Fund Rules.

## **HISTORICAL RETURNS**

Historical returns can be found on the Management Company's website:  
[www.captor.se/fonder](http://www.captor.se/fonder).

## **RESPONSIBLE INVESTMENTS**

The Fund follows the Captor Group's policy for responsible investments. The information presented in accordance with Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR) is presented as an appendix at the end of this document.

## **SUSTAINABILITY RISKS**

The section General sustainability information in this document contains information regarding definitions of sustainability risks and how the Management Company considers them in all funds. Below, there is specific information relating to sustainability risks in Captor Aster Global High Yield.

The fund invests in covered bonds, supranational bonds, as well as bonds issued or guaranteed by states and/or municipalities. Consequently, not every issuer will be available in the third-party sustainability data services available on the market. In such cases, a complementary analysis regarding potential sustainability risks is conducted. Such analysis is based on principle adverse impact indicators (PAI), where the company Head of Sustainable Investment does an internal assessment based on these indicators to identify potential sustainability risks. In this category of investments, potential sustainability risks are, for example, governance risks such as money laundering and corruption.

Additionally, the fund invests in CDS indices, meaning that the fund company is unable to engage with companies as it does not own any shares. To neutralize sustainability risks in the fund, Captor has developed an ESG hedge, taking an active decision to minimize sustainability risks in the fund.

The fund's sustainability risk is determined to be low, meaning a limited risk for negative impacts on yield.

## **CAPTOR ASTER GLOBAL HIGH YIELD FUND RULES**

*The English version is a translation of the original in Swedish for information purposes only. In case of a discrepancy, the Swedish original will prevail.*

### **§ 1 The Fund**

The fund's name is Captor Aster Global High Yield ("the Fund"). The Fund is a UCITS fund in accordance with the Investment Funds Act (2004:46) ("IFA").

The Fund cannot acquire rights or assume obligations or bring proceedings before a court or other authority. Assets that are included in the Fund may not be forfeited and the shareholders will not be liable for obligations related to the Fund. The Management Company represents the shareholders in matters relating to the Fund, decides on the assets that constitutes the Fund holdings and exercises the rights arising from the Fund.

The Fund assets are jointly owned by the shareholders and each share in a share class carries equal rights to the assets included in the fund. The fund consists of share classes, which means that the share value in one share class will differ from the share value of another share class.

Operations are conducted in accordance with these Fund Rules, the Management Companies articles of association, IFA and other applicable regulations.

The Fund consists of the following share classes:

Share Class A: A maximum management fee of 0.60 percent. Initial subscription must amount to at least SEK 100.

Share Class B: A maximum management fee of 0.40 percent. Initial subscription must amount to at least SEK 10 000 000. Share Class B is dividend paying. See § 12 for conditions regarding dividends.

Share Class C: A maximum management fee of 0.40 percent. Initial subscription must amount to at least SEK 10 000 000.

Share Class D: A maximum management fee of 0.40 percent. Initial subscription must amount to at least EUR 1 000 000. Share Class D is currency hedged to EUR, which means that the share class' currency exposure is hedged from the fund's base currency (SEK) to EUR. The purpose of currency hedging is to limit the effect related to fluctuations in the exchange rate between the base currency (SEK) and the share class reference currency (EUR). Profits and losses as well as costs related to this currency hedging are only allocated to Share Class D and do not affect the fund's other share classes.

Share Class E: A maximum management fee of 0.40 percent. Initial subscription must amount to at least NOK 10 000 000. Share Class E is currency hedged to NOK, which means that the share class' currency exposure is hedged from the fund's base currency (SEK) to NOK. The purpose of currency hedging is to limit the effect related to fluctuations in the exchange rate between the base currency

(SEK) and the share class reference currency (NOK). Profits and losses as well as costs related to this currency hedging are only allocated to Share Class E and do not affect the fund's other share classes.

Share Class F: A maximum management fee of 0.45 percent. Initial subscription must amount to at least SEK 100. The share class is associated with conditions for distribution: The share class is only open for subscription of fund shares through distribution channels that do not entitle the distributor to compensation for the distribution from the Management Company. Subscription can, for example, take place in connection with a distributor providing investment advice on an independent basis, through portfolio management or through mutual fund platforms that do not require third-party compensation.

If a shareholder with the same shares simultaneously fulfills the conditions for more than one share class, the shares can, at the shareholder's request, be re-distributed to the share class with the lowest management fee.

## **§ 2 Management Company**

The fund is managed by Captor Fund Management AB ("The Management Company").

## **§3 The Depositary and its Duties**

The Fund's assets are kept in custody by Swedbank AB (publ) ("The Depositary"). The Depositary shall execute on all instructions by the Management Company which do not contravene the provisions of the IFA or the Fund Rules. The Depositary shall further receive and keep in custody all assets that constitutes the holdings of the Fund and ensure;

- subscription and redemption of shares take place in accordance with law and Fund Rules,
- the value of the fund shares is calculated in accordance with law and Fund Rules,
- that the assets of the Fund will be deposited without delay at the depositary, and
- that the funds in the Fund are used in accordance with the provisions of law and Fund Rules.

## **§ 4 Characteristics of the Fund**

The fund is a global corporate bond fund with currency-hedged share classes in Swedish kronor, Norwegian kroner and euros. The fund's average duration shall be between 1 and 7 years. The fund's objective is to generate a higher return than the return for a global volume-weighted portfolio of corporate bonds in the

high-yield credit quality segment, this at the same risk level (VaR) and with the corresponding credit and interest duration.

The fund invests its capital in corporate bonds or alternatively in covered mortgage bonds and bonds issued or guaranteed by governments, municipalities and supranational organizations in combination with credit derivatives in order to create a corresponding exposure. Bonds and the reference assets in credit derivatives must have good credit ratings, at least investment grade at the time of investment. The fund mainly uses interest rate derivatives to maintain the fixed interest period.

The fund is suitable for investors with an investment horizon longer than 3 years.

## **§ 5 Investment Policy**

The Fund's funds may be invested:

- in transferable securities,
- in money market instruments,
- in a deposit with a credit institution,
- in fund units and
- in derivative instruments.

A maximum of 10 percent of the fund's value may be invested in other funds or fund companies.

The fund may raise short-term loans in amounts that correspond to a maximum of 10 percent of the fund's value. The fund may lend transferable securities to an extent corresponding to a maximum of 20 percent net of the fund's value.

Underlying assets in derivative instruments included in the fund shall consist of or relate to assets in accordance with chapter 5, section 12 first paragraph IFA.

The fund's interest and credit duration must not exceed 7 years.

The fund strives to be fully exposed to the global corporate bond market in the high yield segment at all times, however, at least 90 percent.

The fund's total risk level measured as volatility in returns is estimated to exceed the risk level in traditional Swedish fixed income funds but fall below the risk level for traditional Swedish equity funds. The goal is for the Fund's risk level, measured as an annual standard deviation over a rolling two-year period, to be in the range of 4-10 percent.

The fund's total exposures are calculated using an absolute Value at Risk (VaR) model. The model consists of a historical, non-parametric, daily, one-sided VaR where the scenarios consist of daily value changes over the last 252 business days. Risk factors consist of 2, 10, and 20 years of risk-free interest rates and credit spread risk. VaR is calculated at 95% confidence intervals for daily value

changes where the Fund's exposures (positive and negative) based on absolute VaR shall not be more than three (3) percent of the fund's value.

The method of calculating the Fund's risk level using a VaR model is a useful tool in managing the Fund's risk, but does not constitute a guarantee against impairment.

If the VaR limit is exceeded, a correction must be made as soon as it can be done. Reasonable consideration must then be given to the interests of fund unit holders.

## **§ 6 Trading Venues**

The Fund may invest on a regulated or equivalent market outside the European Economic Area ("EEA") and in another markets, within or outside the EEA, which is regulated and open to the public.

## **§ 7 Special Investment Policy**

The Fund may not invest in such transferrable securities and money market instruments referred to in chapter 5, section 5 IFA.

The Fund invests in derivative instruments as part of its investment policy.

The Fund's funds may also be invested in derivative instruments specified in chapter 5, section 12, second paragraph IFA (OTC derivatives).

The Fund uses FX derivatives to hedge its holdings denominated in currencies other than Swedish krona and for the purpose of hedging the share classes that are not denominated in the Fund's base currency SEK.

The Fund may use the techniques and instruments referred to in chapter 25, section 21 of the Swedish Financial Supervisory Authority's Regulations (FFFS 2013: 9) on Mutual Funds with the aim of reducing costs and risks in the Fund or with a view to increasing returns and creating leverage in the Fund.

## **§ 8 Valuation**

The value of the Fund is calculated by deducting from the Fund's assets the liabilities relating to the Fund.

The Fund's assets include transferable securities, cash, and cash equivalents, including short term investments in the money market and other assets belonging to the Fund.

Financial instruments included in the Fund are valued on the basis of the current market value. Market prices are primarily used. If such prices are not available or if the prices in the Management Company's assessment are misleading, financial

instruments may be included at the value determined by the Management Company on an objective basis. When valuing on an objective basis, a market value is determined based on information on the most recently paid price or indicative purchase price from the market-maker if such has been appointed for the issuer. If this information is missing or not considered reliable, the market value is determined using information from counterparties or other external sources. Liquid funds and current receivables (investments in credit institution accounts, short investments in the money market and receivables for sold securities) are valued at the amount they are expected to settle.

OTC derivatives that in their terms essentially correspond to exchange-traded derivatives (so-called look-alikes) that are included in the funds are valued on the basis of the current market value. In the first instance, the official closing price applies and if such is missing, the average of the bid price and the offered price for the respective held and sold position.

For other OTC derivatives included in the funds, the market value is determined on objective grounds according to a special valuation where the Valuation Officer uses generally accepted models. Non-linear OTC derivatives such as options are valued based on the Black-Scholes model. Linear OTC derivatives such as interest rate and currency swaps are valued through discounted cash flows.

The Fund's liabilities include, in addition to liabilities that have arisen as a result of the Fund's operations, future tax liabilities and management compensation.

The value of a fund share is the Fund's value as above divided by the number of outstanding fund shares, considering the conditions associated with each share class.

## **§ 9 Subscription and Redemption of Fund Shares**

The Fund is normally open for subscription and redemption of fund shares every Swedish banking day.

Notification of subscription or redemption of fund shares must be made for Share Class B, C, D and E no later than 10:00 on ordinary banking days. The other Share Classes must be registered no later than 14:00 on ordinary banking days.

Requests for the subscription or redemption of fund shares may only be withdrawn if the Management Company so permits.

Subscription and redemption take place at a, by the time of request, unknown price. Information of the subscription and redemption price regarding the previous banking day can be obtained from the Management Company or the Depository.

The subscription or redemption price for a fund share amounts to the fund share's value on the day of subscription or redemption calculated in accordance with section 8 and any additional transaction costs in accordance with § 11.

The value of the fund shares is determined and published no later than 11:00 ordinary Swedish banking day on the Management Company's website. Settlement and delivery of fund shares as well as Portfolio transactions, respectively, are carried out according to the normal settlement cycle (two banking days) following the notification of subscription and redemption.

The Fund may be closed for subscription and redemption of fund shares if the Fund has such a large holding of financial instruments in an underlying market that is wholly or partially closed that the Fund cannot be valued in a way that ensures a fair valuation with respect to all shareholders.

## **§ 10 Closing of the Fund under Extraordinary Circumstances**

The Fund may be closed for subscription and redemption if extraordinary circumstances have occurred that mean that the valuation of the Fund's assets cannot be done in a way that ensures the equality of shareholders.

## **§ 11 Fees and Compensation**

From the funds of the Fund, remuneration may be paid to the Management Company for its management, marketing and administration of the Fund. Remuneration is calculated daily based on the value of the Fund and may not exceed 0,60 percent in Share Class A, 0,40 percent in Share Classes B-E and 0,45 percent in Share Class F. Remuneration includes costs for depositary, supervision and auditors.

The Fund shall be charged all costs for brokerage, tax, etc. when buying or selling financial instruments.

Value added tax applies at any time to the remuneration according to the above.

### **Additional Transaction Costs in Share Classes B, C, D and E**

Upon subscription and redemption, a dilution levy can be charged. The purpose is to keep existing/remaining unit holders unaffected by the transactions made as a consequence of a major subscription or redemption.

The fee corresponds to the fund's actual transaction costs for the subscription or redemption, however limited to a maximum of two percent of the subscribed or redeemed amount. The fee is attributed to the Fund.

The Investment Manager prepares a list of financial instruments ("Portfolio Transactions") that the Fund will need to trade to meet such subscription or redemption and maintain the desired risk profile. The result of the execution, both positive and negative, in relation to the valuations used in the NAV calculation constitutes the dilution levy. The dilution levy is calculated symmetrically and can thus be both positive as well as negative. In the event the execution outcome entails a cost for the Fund, the subscribing or redeeming party is charged the dilution

levy. In the event the execution outcome constitutes an income for the Fund, the subscribing or redeeming party is reimbursed by being allocated so-called bonus shares corresponding to the dilution levy.

The fund company must no later than 12:00 the same day, at the customer's request, provide the customer with a list of Portfolio Transactions. The Client may choose to be a counterparty in one or more of such Portfolio Transactions, which must be notified to the Fund Company immediately. In the event that the client chooses to be a counterparty, these transactions will be settled by a bank or a securities company intervening. The closing price for such transactions is set at the market price at the closing time and is the same which then forms the basis for calculating the dilution levy. This means that net of all transactions (including the fee for dilution protection) are made at the same valuation used for the NAV calculation regarding subscribed or redeemed fund units.

## **§ 12 Dividend**

Dividends are paid each year to fund shareholders who are registered in the shareholder register as holders of fund shares of share class B on a date determined by the Fund Company ("Record Date"). Dividends are paid in May and determined by the Management Company.

The share class shall pay an annual dividend corresponding to the Fund's yield received from the previous Reconciliation Date, with an adjustment for the dividend share class' share of the total fund assets.

The dividend affects the relationship between the value of non-dividend paying share class shares and the value of the dividend paying share class shares by reducing the value of the dividend paying share class shares in relation to the size of the dividend.

## **§ 13 The Fund's Fiscal Year**

The fiscal year of the Fund is calendar year.

## **§ 14 Half-yearly and Annual reports**

The Management Company shall submit an annual report of the Fund within four months of the end of the financial year. The annual report shall be sent to the Swedish Financial Supervisory Authority and sent free of charge to all shareholders who have requested to receive this and shall be available at the Management Company and the Depositary.

The Management Company shall submit half-yearly reports of the Fund for the first six months of the financial year within two months of the end of the first six months. The half-yearly report must be sent to the Swedish Financial Supervisory Authority and sent free of charge to all shareholders who have requested

to receive this and shall be available at the Management Company and the Depositary.

The Management Companies Board of Directors decides on amendments in the Fund Rules. After the Swedish Financial Supervisory Authority approves the amendments, the amended Fund Rules shall be made available by the Management Company and the Depositary, and shall be announced, as the case may be, in the manner specified by the Swedish Financial Supervisory Authority.

## **§ 15 Pledging and Transfer of Ownership**

If a shareholder wishes to pledge shares belonging to the shareholder in the Fund, the shareholder (the pledgor) and/or the pledgee must notify the shareholder's custodian in writing in cases where the shares are nominee registered.

The notice shall state:

1. who is the shareholder/pledgor,
2. who is the pledgee,
3. which fund shares are covered by the pledge; and
4. any restrictions on the scope of the pledge.

The notification must be signed by the pledgor.

Requests for transfer of fund shares shall be notified in writing to the Management Company. Shareholders are responsible for ensuring that the notification is duly signed. The notification of transfer must indicate transferor and to whom the shares are transferred, his/her social security number/organization number, address, telephone number, securities account or custodian bank and custodian number, bank account and the purpose of the transfer.

The transfer of a share requires that the Management Company admit the transfer. Such consent is only given by the Management Company if the transfer is made in order to carry out division of property of matrimonial property, refers to a gift to the spouse or own children or refers to transfers between different legal entities within the same corporation group.

## **§ 17 Limited Liability**

The Management Company or the Depositary is not liable for damage caused by Swedish or foreign law, Swedish or foreign government action, event of war, strike, blockade, boycott, lockout or other similar circumstance. The reservation of liability with regards to strike, blockade, boycott and lockout applies even if the Management Company or the Depositary is the subject of or itself takes such a conflict action.

Damage incurred in other cases shall not be compensated by the Management Company or the Depositary if the Management Company and the Depositary

were normally careful. The Management Company or Depositary is in no case responsible for indirect damage, unless the indirect damage was caused by the gross negligence of the Management Company or Depositary.

The Management Company or the Depositary shall not be liable for any damage caused by the Swedish or foreign stock exchange or other marketplace, custodian, central securities depository, clearing organization, or other provider of similar services, nor by contractors hired by the Management Company or the Depositary with due care or as a trust company. The same applies to damage caused by the above-mentioned organizations or contractors becoming insolvent. The Management Company or the Depositary shall not be liable for damages incurred by the Management Company, shareholders in the Fund or any other in connection with disposal restrictions that may be applied against the Management Company or the Depositary in respect of securities.

If the Management Company or the Depositary is obstructed to execute a measure in whole or in part under these provisions due to the circumstances mentioned in the first paragraph, the measure may be postponed until the obstacle has ceased. In the event of a deferred payment, the Management Company or the Depositary shall not pay interest on late payments.

If interest is pledged, the Management Company or the Depositary shall pay interest according to the interest rate applicable on the due date.

If the Management Company or the Depositary is prevented from receiving payment for the Fund as a result of the circumstances specified in the first paragraph, the Management Company or the Depositary for the period during which the obstacle existed is entitled to interest only under the conditions applicable on the due date.

Notwithstanding the above, the Management Company and the Depositary are liable for damages pursuant to chapter 2, section 21 and chapter 3, section 14-16 IFA.

## **§ 18 Restriction on Sales Rights**

The Fund or fund shares are not and are not intended to be registered in accordance with, at any time, the United States Securities Act 1933 or the United States Investment Companies Act 1940 or other applicable laws in the United States.

Fund shares (or rights to fund shares) may not be offered, sold or otherwise distributed to or on behalf of the U.S. Persons (as defined in Regulation S of the United States Securities Act and interpreted in the United States Investment Companies Act 1940).

Fund shares may also not be offered, sold or otherwise distributed to persons or legal entities if, in the Management Company's assessment, this would involve or entail a risk of;

- I. violation of Swedish or foreign law or constitution,
- II. that the Management Company must take special registration or other measures or incur significant disadvantages for tax or economic reasons, and this cannot reasonably be required by the Management Company, or
- III. that the Fund incurs damage or costs that are not in the interests of the shareholders.

Anyone wishing to acquire shares in the Fund shall state to the Management Company the national domicile. Furthermore, shareholders are obliged, if applicable, to notify the Management Company of any changes in national domicile.

Buyers of shares in the Fund shall further confirm to the Management Company that he or she is not a U.S. Person and that the fund shares are acquired through a transaction outside the United States in accordance with Regulation S.

Subsequent transfer of the shares or rights thereto will only be made to a non-US person and shall be affected through a transaction outside the United States subject to the exemption under Regulation S. If the Management Company considers that it is not entitled to offer, sell or otherwise distribute fund shares as above, the Management Company is entitled to refuse the execution of such assignment of shares in the Fund and, where applicable, without prior consent, to redeem such shares in the Fund on his behalf and thus paying out additional funds to him.

# **ABOUT CAPTOR PERENNE SHORT TERM BOND**

## **OBJECTIVES AND INVESTMENT POLICY**

The fund's objective is to generate a stable return.

The fund is a bond fund investing in short-term bonds, primarily ECBC covered bonds, government bonds and bonds issued by public entities with a similarly high credit rating. The fund will primarily invest in bonds denominated in Swedish Krona. The fund's average duration shall be below 1 year. The fund may use interest rate derivatives manage interest rate risk.

Subscription and redemption of fund shares can normally take place every Swedish banking day. The fund does not pay dividends.

## **RISK AND REWARD PROFILE**

The fund belongs to risk category 1, which implies a low risk of fluctuations in the unit value, although this category may change over time.

The following risks are not fully reflected in the risk/return indicator but still affect the fund's value:

The fund invests in interest-bearing securities, which generally carry lower risk compared to the stock market. However, this exposure includes credit risk against the issuing company, meaning the risk that the company may not fully repay the bond. The fund manages this risk through issuer diversification.

The fund is exposed to counterparty risk, which is the risk that the counterparty may not fulfil its obligations to the fund. This can occur, for example, if the counterparty fails to pay a predetermined amount or does not deliver securities as per an agreement. Where possible, derivative instruments are traded with a central counterparty and collateralised daily. For derivatives traded under bilateral agreements, equivalent risk management measures are required.

Redemptions by fund unit holders may create liquidity risk for the fund if certain instruments are illiquid. Margin requirements for derivative instruments and the risk of clients not paying on time can also constitute liquidity risk. The fund manages this risk through ongoing liquidity forecasts and the option of bridge financing through securities finance transactions.

## **USE OF SECURITIES FINANCING TRANSACTIONS**

The Fund primarily performs transactions for securities financing in connection with collateral management to minimize positions in cash and cash equivalents. Furthermore, they constitute preparedness for situations where the Fund does not receive cash on time. More information on the use of securities financing transactions can be found under the heading General Information Regarding the Funds.

## **ACTIVITY LEVEL OF THE FUND**

The fund's activity level, represented by the tracking error, measures how much the fund's return may deviate from a benchmark index. It's important to note that this fund does not have an official benchmark index defined due to the unique nature of its investment strategy. Therefore, traditional tracking error measures based on a benchmark index comparison may not be applicable.

The fund's investment approach is designed to achieve specific investment objectives that may not align with conventional benchmark indices. As a result, the fund's performance should be evaluated based on its stated objectives rather than against a benchmark index. The absence of a benchmark index does not imply that the fund lacks a well-defined strategy or focus; rather, it reflects the distinct nature of its investment portfolio.

## **PRIMARY DEALER**

The company does not use any primary dealer.

## **TARGET INVESTORS**

The Fund is suitable for investors with a short investment horizon.

## **ANNUAL REPORT**

The annual report is prepared in accordance with the Fund Rules.

## **HISTORICAL RETURNS**

Historical returns can be found on the Management Company's website:  
[www.captor.se/fonder](http://www.captor.se/fonder).

## **SUSTAINABILITY RISKS IN THE FUND**

In the section 'General Information about the Funds' you will find information about what sustainability risks are and how we address sustainability risks across all funds. Below is specific information about the fund's management.

The fund invests in ECBC covered bonds (secured against Swedish residential mortgages), government bonds, as well as bonds issued by supranational entities and municipalities. This means that issuers are not always covered by external ESG screening services. In such cases, a supplementary analysis of potential sustainability risks is conducted. The methodology is based on adverse impacts on sustainability factors (PAI), where the sustainability officer conducts an internal assessment based on these indicators to identify potential sustainability risks.

This may include governance risks (such as money laundering and corruption) when investing in these types of bonds.

The fund's sustainability risk is low, which, in our assessment, implies limited potential for adverse impacts on returns

## **RESPONSIBLE INVESTMENTS**

The fund follows the Captor Group's policy for responsible investments. Information as required by Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR) is available as appendix to this document.

# **CAPTOR PERENNE SHORT TERM BOND FUND RULES**

As approved by Swedish Financial Supervisory Authority, 29 June 2023.

The English version is a translation of the original in Swedish for information purposes only. In case of a discrepancy, the Swedish original will prevail.

## **§ 1 The Fund**

The fund's name is Captor Perenne Short Term Bond ("the Fund"). The Fund is a UCITS fund in accordance with the Investment Funds Act (2004:46) ("IFA").

The Fund cannot acquire rights or assume obligations or bring proceedings before a court or other authority. Assets that are included in the Fund may not be forfeited and the shareholders will not be liable for obligations related to the Fund. The Management Company represents the shareholders in matters relating to the Fund, decides on the assets that constitutes the Fund holdings and exercises the rights arising from the Fund.

The Fund assets are jointly owned by the shareholders and each share in a share class carries equal rights to the assets included in the fund. The fund consists of share classes, which means that the share value in one share class will differ from the share value of another share class.

Operations are conducted in accordance with these Fund Rules, the Management Companies articles of association, IFA, and other applicable regulations.

The Fund consists of the following share classes:

Share Class A: A maximum management fee of 0.20 percent. Initial subscription must amount to at least SEK 100.

Share Class B: A maximum management fee of 0.20 percent. Initial subscription must amount to at least USD 10. Share Class B is currency hedged to USD, which means that the share class's currency exposure is hedged from the fund's base currency (SEK) to USD. The purpose of currency hedging is to limit the effect related to fluctuations in the exchange rate between the base currency and the share class's currency (USD). Profits and losses as well as costs related to this currency hedging are only allocated to this share class.

Share Class C: A maximum management fee of 0.10 percent. Initial subscription must amount to at least SEK 10 000 000.

If a shareholder with the same shares simultaneously fulfils the conditions for more than one share class, the shares can, at the shareholder's request, be re-distributed to the share class with the lowest management fee.

## **§ 2 Management Company**

The fund is managed by Captor Fund Management AB ("The Management Company").

## **§3 The Depositary and its Duties**

The Fund's assets are kept in custody by Swedbank AB (publ) ("The Depositary"). The Depositary shall execute on all instructions by the Management Company which do not contravene the provisions of the IFA or the Fund Rules. The Depositary shall further receive and keep in custody all assets that constitutes the holdings of the Fund and ensure;

- subscription and redemption of shares take place in accordance with law and Fund Rules,
- the value of the fund shares is calculated in accordance with law and Fund Rules,
- that the assets of the Fund will be deposited without delay at the depositary, and
- that the funds in the Fund are used in accordance with the provisions of law and Fund Rules.

## **§ 4 Characteristics of the Fund**

The fund's objective is to generate a stable return. The fund is a bond fund investing in short-term bonds, primarily ECBC covered bonds, government bonds and bonds issued by public entities with a similarly high credit rating. The fund will primarily invest in bonds denominated in Swedish Krona. The fund's average duration shall be below 1 year. The fund may use interest rate derivatives manage interest rate risk.

The Fund is suitable for investors with a short investment horizon.

## **§ 5 Investment Policy**

The Fund's funds may be invested:

- in transferable securities,
- in money market instruments,
- in a deposit with a credit institution,
- in reverse repos,
- in fund units and
- in derivative instruments.

A maximum of 10 percent of the fund's value may be invested in other funds or fund companies.

The fund may raise short-term loans in amounts that correspond to a maximum of 10 percent of the fund's value. The fund may lend transferable securities to an extent corresponding to a maximum of 20 percent net of the fund's value.

Underlying assets in derivative instruments included in the fund shall consist of or relate to assets in accordance with chapter 5, § 12, first paragraph IFA.

The fund's total risk level measured as volatility in returns is estimated to exceed the risk level in traditional Swedish fixed income funds but fall below the risk level for traditional Swedish equity funds. The goal is for the Fund's risk level, measured as an annual standard deviation over a rolling two-year period, to be in the range of 4-10 percent.

The fund's total exposures are calculated using an absolute Value at Risk (VaR) model. The model consists of a historical, non-parametric, daily, one-sided VaR where scenarios are based on daily value changes over the past 252 business days. The risk factor is represented by the 1-year risk-free rate. VaR is calculated at a 95% confidence interval for daily value changes, and the fund's exposures (both positive and negative) based on absolute VaR should not exceed 0.5 percent of the fund's value.

Using a VaR model to calculate the fund's risk level is a useful tool in risk management, but it does not guarantee protection against declines in value.

If the VaR limit is exceeded, corrective action shall be taken as soon as reasonably possible. Due consideration shall be given to the interests of fund unit holders at that time.

## **§ 6 Trading Venues**

The Fund may invest on a regulated or equivalent market outside the European Economic Area ("EEA") and in another markets, within or outside the EEA, which is regulated and open to the public.

## **§ 7 Special Investment Policy**

The Fund may not invest in such transferrable securities and money market instruments referred to in chapter 5, section 5 IFA.

The Fund invests in derivative instruments as part of its investment policy.

The Fund's funds may also be invested in derivative instruments specified in chapter 5, section 12, second paragraph IFA (OTC derivatives).

The Fund uses FX derivatives to hedge its holdings denominated in currencies other than Swedish krona and for the purpose of hedging the share classes that are not denominated in the Fund's base currency SEK.

The Fund may use the techniques and instruments referred to in chapter 25, section 21 of the Swedish Financial Supervisory Authority's Regulations (FFFS 2013: 9) on Mutual Funds with the aim of reducing costs and risks in the Fund or with a view to increasing returns and creating leverage in the Fund.

## **§ 8 Valuation**

The value of the Fund is calculated by deducting from the Fund's assets the liabilities relating to the Fund.

The Fund's assets include transferable securities, cash, and cash equivalents, including short term investments in the money market and other assets belonging to the Fund.

Financial instruments included in the Fund are valued based on the current market value. Market prices are primarily used. If such prices are not available or if the prices in the Management Company's assessment are misleading, financial instruments may be included at the value determined by the Management Company on an objective basis. When valuing on an objective basis, a market value is determined based on information on the most recently paid price or indicative purchase price from the market-maker if such has been appointed for the issuer. If this information is missing or not considered reliable, the market value is determined using information from counterparties or other external sources. Liquid funds and current receivables (investments in credit institution accounts, short investments in the money market and receivables for sold securities) are valued at the amount they are expected to settle.

OTC derivatives that in their terms essentially correspond to exchange-traded derivatives (so-called look-alikes) that are included in the funds are valued based on the current market value. In the first instance, the official closing price applies and if such is missing, the average of the bid price and the offered price for the respective held and sold position.

For other OTC derivatives included in the funds, the market value is determined on objective grounds according to a special valuation where the Valuation Officer uses generally accepted models. Non-linear OTC derivatives such as options are valued based on the Black-Scholes model. Linear OTC derivatives such as interest rate and currency swaps are valued through discounted cash flows.

The Fund's liabilities include, in addition to liabilities that have arisen as a result of the Fund's operations, future tax liabilities and management compensation.

The value of a fund share is the Fund's value as above divided by the number of outstanding fund shares, taking into account the conditions associated with each share class.

## **§ 9 Subscription and Redemption of Fund Shares**

The Fund is normally open for subscription and redemption of fund shares every Swedish banking day.

Notification of subscription or redemption of fund shares must be made for Share Class C no later than 10:00 on ordinary banking days. The other Share Classes must be registered no later than 14:00 on ordinary banking days.

Requests for the subscription or redemption of fund shares may only be withdrawn if the Management Company so permits.

Subscription and redemption take place at a, by the time of request, unknown price Information of the subscription and redemption price regarding the previous banking day can be obtained from the Management Company or the Depository.

The subscription or redemption price for a fund share amounts to the fund share's value on the day of subscription or redemption calculated in accordance with section 8 and any additional transaction costs in accordance with § 11.

The value of the fund shares is determined and published no later than 11:00 the following ordinary Swedish banking day on the Management Company's website. Settlement and delivery of fund shares as well as Portfolio transactions, respectively, are carried out according to the normal settlement cycle (two banking days) following the notification of subscription and redemption.

The Fund may be closed for subscription and redemption of fund shares if the Fund has such a large holding of financial instruments in an underlying market that is wholly or partially closed that the Fund cannot be valued in a way that ensures a fair valuation with respect to all shareholders.

## **§ 10 Closing of the Fund under Extraordinary Circumstances**

The Fund may be closed for subscription and redemption if extraordinary circumstances have occurred that mean that the valuation of the Fund's assets cannot be done in a way that ensures the equality of shareholders.

## **§ 11 Fees and Compensation**

From the funds of the Fund, remuneration may be paid to the Management Company for its management, marketing, and administration of the Fund. Remuneration is calculated daily based on the value of the Fund and may not exceed 0.10 percent in Share Class C and 0.20 percent in Share Classes A and B. Remuneration includes costs for depositary, supervision, and auditors.

The Fund shall be charged all costs for brokerage, tax, etc. when buying or selling financial instruments.

Value added tax applies at any time to the remuneration according to the above.

### **Additional Transaction Costs in Share Class C**

Upon subscription and redemption, a dilution levy can be charged. The purpose is to keep existing / remaining unit holders unaffected by the transactions made as a consequence of a major subscription or redemption.

The fee corresponds to the fund's actual transaction costs for the subscription or redemption, however limited to a maximum of two percent of the subscribed or redeemed amount. The fee is attributed to the Fund.

The Investment Manager prepares a list of financial instruments ("Portfolio Transactions") that the Fund will need to trade to meet such subscription or redemption and maintain the desired risk profile. The result of the execution, both positive and negative, in relation to the valuations used in the NAV calculation constitutes the dilution levy. The dilution levy is calculated symmetrically and can thus be both positive as well as negative. In the event the execution outcome entails a cost for the Fund, the subscribing or redeeming party is charged the dilution levy. In the event the execution outcome constitutes an income for the Fund, the subscribing or redeeming party is reimbursed by being allocated so-called bonus shares corresponding to the dilution levy.

The fund company must no later than 12:00 the same day, if the customer so requests, provide the customer with a list of Portfolio Transactions. The Client may choose to be a counterparty in one or more of such Portfolio Transactions, which must be notified to the Fund Company immediately. If the client chooses to be a counterparty, these transactions will be settled by a bank or a securities company intervening. The closing price for such transactions is set at the market price at the closing time and is the same which then forms the basis for calculating the dilution levy. This means that net of all transactions (including the fee for dilution protection) are made at the same valuation used for the NAV calculation regarding subscribed or redeemed fund units.

## **§ 12 Dividend**

The fund has no dividend paying share classes.

## **§ 13 The Fund's Fiscal Year**

The fiscal year of the Fund is calendar year.

## **§ 14 Half-yearly and Annual reports**

The Management Company shall submit an annual report of the Fund within four months of the end of the financial year. The annual report shall be sent to the Swedish Financial Supervisory Authority and sent free of charge to all shareholders who have requested to receive this and shall be available at the Management Company and the Depositary.

The Management Company shall submit half-yearly reports of the Fund for the first six months of the financial year within two months of the end of the first six months. The half-yearly report must be sent to the Swedish Financial Supervisory Authority and sent free of charge to all shareholders who have requested

to receive this and shall be available at the Management Company and the Depositary.

The Management Companies Board of Directors decides on amendments in the Fund Rules. After the Swedish Financial Supervisory Authority approves the amendments, the amended Fund Rules shall be made available by the Management Company and the Depositary and shall be announced in the manner specified by the Swedish Financial Supervisory Authority.

## **§ 15 Pledging and Transfer of Ownership**

If a shareholder wishes to pledge shares belonging to the shareholder in the Fund, the shareholder (the pledgor) and/or the pledgee must notify the shareholder's custodian in writing in cases where the shares are nominee registered.

The notice shall state:

1. who is the shareholder/pledgor,
2. who is the pledgee,
3. which fund shares are covered by the pledge; and
4. any restrictions on the scope of the pledge.

The notification must be signed by the pledgor.

Requests for transfer of fund shares shall be notified in writing to the Management Company. Shareholders are responsible for ensuring that the notification is duly signed. The notification of transfer must indicate transferor and to whom the shares are transferred, his/her social security number/organization number, address, telephone number, securities account or custodian bank and custodian number, bank account and the purpose of the transfer.

The transfer of a share requires that the Management Company admit the transfer. Such consent is only given by the Management Company if the transfer is made to carry out division of property of matrimonial property, refers to a gift to the spouse or own children or refers to transfers between different legal entities within the same corporation group.

## **§ 16 Limited Liability**

The Management Company or the Depositary is not liable for damage caused by Swedish or foreign law, Swedish or foreign government action, event of war, strike, blockade, boycott, lockout, or other similar circumstance. The reservation of liability with regards to strike, blockade, boycott, and lockout applies even if the Management Company or the Depositary is the subject of or itself takes such a conflict action.

Damage incurred in other cases shall not be compensated by the Management Company or the Depositary if the Management Company and the Depositary

were normally careful. The Management Company or Depositary is in no case responsible for indirect damage unless the indirect damage was caused by the gross negligence of the Management Company or Depositary.

The Management Company or the Depositary shall not be liable for any damage caused by the Swedish or foreign stock exchange or other marketplace, custodian, central securities depository, clearing organization, or other provider of similar services, nor by contractors hired by the Management Company or the Depositary with due care or as a trust company. The same applies to damage caused by the above-mentioned organizations or contractors becoming insolvent. The Management Company or the Depositary shall not be liable for damages incurred by the Management Company, shareholders in the Fund or any other in connection with disposal restrictions that may be applied against the Management Company or the Depositary in respect of securities.

If the Management Company or the Depositary is obstructed to execute a measure in whole or in part under these provisions due to the circumstances mentioned in the first paragraph, the measure may be postponed until the obstacle has ceased. In the event of a deferred payment, the Management Company or the Depositary shall not pay interest on late payments.

If interest is pledged, the Management Company or the Depositary shall pay interest according to the interest rate applicable on the due date.

If the Management Company or the Depositary is prevented from receiving payment for the Fund because of the circumstances specified in the first paragraph, the Management Company, or the Depositary for the period during which the obstacle existed is entitled to interest only under the conditions applicable on the due date.

Notwithstanding the above, the Management Company and the Depositary are liable for damages pursuant to chapter 2, section 21 and chapter 3, section 14-16 IFA.

## **§ 17 Restriction on Sales Rights**

The Fund or fund shares are not and are not intended to be registered in accordance with, at any time, the United States Securities Act 1933 or the United States Investment Companies Act 1940 or other applicable laws in the United States.

Fund shares (or rights to fund shares) may not be offered, sold, or otherwise distributed to or on behalf of the U.S. Persons (as defined in Regulation S of the United States Securities Act and interpreted in the United States Investment Companies Act 1940).

Fund shares may also not be offered, sold or otherwise distributed to persons or legal entities if, in the Management Company's assessment, this would involve or entail a risk of:

- I. violation of Swedish or foreign law or constitution,
- II. that the Management Company must take special registration or other measures or incur significant disadvantages for tax or economic reasons, and this cannot reasonably be required by the Management Company, or
- III. that the Fund incurs damage or costs that are not in the interests of the shareholders.

Anyone wishing to acquire shares in the Fund shall state to the Management Company the national domicile. Furthermore, shareholders are obliged, if applicable, to notify the Management Company of any changes in national domicile.

Buyers of shares in the Fund shall further confirm to the Management Company that he or she is not a U.S. Person and that the fund shares are acquired through a transaction outside the United States in accordance with Regulation S.

Subsequent transfer of the shares or rights thereto will only be made to a non-US person and shall be carried out through a transaction outside the United States subject to the exemption under Regulation S. If the Management Company considers that it is not entitled to offer, sell, or otherwise distribute fund shares as above, the Management Company is entitled to refuse the execution of such assignment of shares in the Fund and, where applicable, without prior consent, to redeem such shares in the Fund on his behalf and thus paying out additional funds to him.

# **ABOUT CAPTOR GLOBAL FIXED INCOME**

## **OBJECTIVES AND INVESTMENT POLICY**

The fund is a global corporate bond fund denominated in Swedish Kronor. The fund aims to always be fully exposed to the global corporate bond market, with a minimum investment of 50% in investment grade bonds.

Subscription and redemption of fund shares can normally take place every Swedish banking day. The fund does not pay dividends.

## **RISK AND REWARD PROFILE**

The fund belongs to risk category 2, indicating low risk of fluctuations in the share value. This category may change over time.

The following risks are not fully reflected in the risk/return indicator but still affect the value of the fund:

The fund invests in fixed income instruments which are generally characterized by a lower risk than the stock market. However, the exposure involves credit risk against the issuing company, i.e., the risk that the company cannot repay its debt in full. The fund manages the risk by diversifying issuers, limiting credit risk to investments in bonds with good credit quality (investment grade) and derivative instruments with a corresponding reference.

The fund is exposed to counterparty risk, i.e., the risk that the counterparty will not fulfil its obligations to the fund. This can be done, for example, by the counterparty not paying a predetermined amount or by not delivering securities in accordance with an agreement. If possible, derivative instruments are traded with a central counterparty and hedged daily. For derivatives that are traded in accordance with bilateral agreements, corresponding collateral management is required.

Subscription and redemption in the fund can create liquidity risk for the fund if certain instruments are illiquid. Marginal collateral requirements regarding derivative instruments and the risk that customers do not pay on time can also constitute liquidity risk. The Fund manages liquidity risk through continuous liquidity forecasts and the possibility of bridge financing through securities lending.

## **USE OF SECURITIES FINANCING TRANSACTIONS**

The Fund primarily performs transactions for securities financing in connection with collateral management to minimize positions in cash and cash equivalents. Furthermore, they constitute preparedness for situations where the Fund does not receive cash on time. More information on the use of securities financing transactions can be found under the heading General Information Regarding the Funds.

## **LEVEL OF ACTIVITY**

At present, all existing corporate bond indices are constructed in a way that deviates significantly from the fund's management strategy, which is why they are not suitable for evaluating the fund's performance. The fund owns AAA mortgage bonds in SEK and takes received-fixed positions in SEK interest rate swaps. The fund primarily takes credit exposure via index CDS (Credit Default Swaps). The underlying Investment Grade indices of the most liquid CDS contracts are equally weighted, which deviates from outstanding issue amount weights in corporate bond indices. Furthermore, the issuers in the CDS indices do not correspond sufficiently to the bond issuers in corporate bond indices. Therefore, as the fund does not have a relevant index to compare with, the degree of activity cannot be reported.

## **PRIMARY DEALER**

The company does not use any primary dealer.

## **TARGET INVESTORS**

The Fund may be unsuitable for investors who plan to make withdrawals from the fund within 3 years.

## **ANNUAL REPORT**

The annual report is prepared in accordance with the Fund Rules.

## **RESPONSIBLE INVESTMENTS**

The Fund follows the Captor Group's policy for responsible investments. The information presented in accordance with Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR) is presented as an appendix at the end of this document.

## **SUSTAINABILITY RISKS**

The section General sustainability information in this document contains information regarding definitions of sustainability risks and how the Management Company considers them in all funds. Below, there is specific information relating to sustainability risks in Captor Global Fixed Income.

The fund invests in covered bonds, supranational bonds, as well as bonds issued or guaranteed by states and/or municipalities. Consequently, not every issuer will be available in the third-party sustainability data services available on the

market. In such cases, a complementary analysis regarding potential sustainability risks is conducted. Such analysis is based on principle adverse impact indicators (PAI), where the company Head of Sustainable Investment does an internal assessment based on these indicators to identify potential sustainability risks. In this category of investments, potential sustainability risks are, for example, governance risks such as money laundering and corruption.

Additionally, the fund invests in CDS indices, meaning that the fund company is unable to engage with companies as it does not own any shares. To neutralize sustainability risks in the fund, Captor has developed an ESG hedge, taking an active decision to minimize sustainability risks in the fund.

The fund's sustainability risk is determined to be low, meaning a limited risk for negative impacts on yield.

## **HISTORICAL RETURNS**

Historical returns can be found on the Management Company's website:  
[www.captor.se/fonder](http://www.captor.se/fonder).

# **CAPTOR GLOBAL FIXED INCOME FUND RULES**

As approved by the Swedish Financial Supervisory Authority, 09 October 2023.

## **§ 1 Fund Name and Legal Status**

The fund's name is Captor Global Fixed Income ("the Fund"). The Fund is a UCITS fund in accordance with the Investment Funds Act (2004:46) ("IVF").

The Fund cannot acquire rights, assume obligations, or bring proceedings before a court or other authority. Assets that are included in the Fund may not be forfeited and the shareholders will not be liable for obligations related to the Fund. The Management Company represents the shareholders in matters relating to the Fund, decides on the assets that constitutes the Fund holdings and exercises the rights arising from the Fund.

The Fund assets are jointly owned by the shareholders and each share in a share class carries equal rights to the assets included in the fund. The fund consists of share classes, which means that the share value in one share class will differ from the share value of another share class.

Operations are conducted in accordance with these Fund Rules, the Management Companies articles of association, IFA and other applicable regulations.

The Fund consists of the following share classes:

Share Class A: The initial subscription must amount to at least 100 SEK.

Share Class B: The initial subscription must amount to at least 10,000,000 SEK.

If a shareholder with the same shares simultaneously fulfills the conditions for more than one share class, the shares can, at the shareholder's request, be re-distributed to the share class with the lowest management fee.

## **§ 2 Management Company**

The Fund is managed by Captor Fund Management AB, org. no. 559051-3189 ("the Fund Company").

## **§ 3 The Depositary and its Duties**

The Fund's assets are kept in custody by Swedbank AB (publ) ("The Depositary"). The Depositary shall execute on all instructions by the Management Company which do not contravene the provisions of the IFA or the Fund Rules. The Depositary shall further receive and keep in custody all assets that constitutes the holdings of the Fund and ensure;

- subscription and redemption of shares take place in accordance with law and Fund Rules,

- the value of the fund shares is calculated in accordance with law and Fund Rules,
- that the assets of the Fund will be deposited without delay at the depositary, and

that the funds in the Fund are used in accordance with the provisions of law and Fund Rules.

## **§ 4 Characteristics of the Fund**

The Fund is a global corporate bond fund. The Fund's average duration shall be between 1 and 7 years. The fund's objective is to generate a higher return than the return for a global volumeweighted portfolio of corporate bonds in the high-yield credit quality segment, this at the same risk level (VaR) and with the corresponding credit and interest duration.

The fund invests its capital in corporate bonds or alternatively in covered mortgage bonds and bonds issued or guaranteed by governments, municipalities and supranational organizations in combination with credit derivatives in order to create a corresponding exposure.

The Fund aims to be fully exposed to the global corporate bond market at all times. The proportion invested in "investment grade" shall be at least 50%.

The Fund is suitable for investors with an investment horizon longer than 3 years.

## **§ 5 Investment Policy**

The Fund's funds may be invested:

- in transferable securities,
- in money market instruments,
- in a deposit with a credit institution,
- in fund units and
- in derivative instruments

A maximum of 10 percent of the fund's value may be invested in other funds or fund companies.

The fund may raise short-term loans in amounts that correspond to a maximum of 10 percent of the fund's value. The fund may lend transferable securities to an extent corresponding to a maximum of 20 percent net of the fund's value.

Underlying assets in derivative instruments included in the fund shall consist of or relate to assets in accordance with chapter 5, section 12 first paragraph IFA.

The fund's interest and credit duration must not exceed 7 years.

The fund's total exposures are calculated using an absolute Value at Risk (VaR) model. The model consists of a historical, non-parametric, daily, one-sided VaR where the scenarios consist 64 of daily value changes over the last 252 business days. Risk factors consist of 2, 10, and 20 years of risk-free interest rates and credit spread risk. VaR is calculated at 95% confidence intervals for daily value changes where the Fund's exposures (positive and negative) based on absolute VaR shall not be more than three (3) percent of the fund's value.

The method of calculating the Fund's risk level using a VaR model is a useful tool in managing the Fund's risk, but does not constitute a guarantee against impairment.

If the VaR limit is exceeded, a correction must be made as soon as it can be done. Reasonable consideration must then be given to the interests of fund unit holders.

## **§ 6 Trading Venues**

The Fund may invest on a regulated or equivalent market outside the European Economic Area ("EEA") and in another markets, within or outside the EEA, which is regulated and open to the public.

## **§ 7 Special Investment Policy**

The Fund may not invest in such transferable securities and money market instruments referred to in chapter 5, section 5 IFA.

The Fund invests in derivative instruments as part of the investment focus.

The Fund's assets may be invested in derivative instruments as specified in Chapter 5, Section 12, second paragraph of LVF (OTC derivatives).

The Fund uses currency derivatives to hedge its holdings denominated in currencies other than Swedish kronor.

The Fund may use techniques and instruments as referred to in Chapter 25, Section 21 of the Financial Supervisory Authority's regulations (FFFS 2013:9) on securities funds to reduce costs and risks in the Fund or to increase returns and create leverage in the Fund.

## **§ 8 Valuation**

The value of the Fund is calculated by deducting from the Fund's assets the liabilities relating to the Fund.

The Fund's assets include transferable securities, cash, and cash equivalents, including short term investments in the money market and other assets belonging to the Fund.

Financial instruments included in the Fund are valued on the basis of the current market value. Market prices are primarily used. If such prices are not available or if the prices in the Management Company's assessment are misleading, financial instruments may be included at the value determined by the Management Company on an objective basis. When valuing on an objective basis, a market value is determined based on information on the most recently paid price or indicative purchase price from the market-maker if such has been appointed for the issuer. If this information is missing or not considered reliable, the market value is determined using information from counterparties or other external sources. Liquid funds and current receivables (investments in credit institution accounts, short investments in the money market and receivables for sold securities) are valued at the amount they are expected to settle.

OTC derivatives that in their terms essentially correspond to exchange-traded derivatives (so-called look-alikes) that are included in the funds are valued on the basis of the current market value. In the first instance, the official closing price applies and if such is missing, the average of the bid price and the offered price for the respective held and sold position.

For other OTC derivatives included in the funds, the market value is determined on objective grounds according to a special valuation where the Valuation Officer uses generally accepted models. Non-linear OTC derivatives such as options are valued based on the Black-Scholes model. Linear OTC derivatives such as interest rate and currency swaps are valued through discounted cash flows.

The Fund's liabilities include, in addition to liabilities that have arisen as a result of the Fund's operations, future tax liabilities and management compensation.

The value of a fund share is the Fund's value as above divided by the number of outstanding fund shares, considering the conditions associated with each share class.

## **§ 9 Subscription and Redemption of Fund Shares**

The Fund is normally open for subscription and redemption of fund shares every Swedish banking day.

Notification of subscription or redemption of fund shares must be made for Share Class B no later than 10:00 on ordinary banking days. The other Share Classes must be registered no later than 14:00 on ordinary banking days.

Requests for the subscription or redemption of fund shares may only be withdrawn if the Management Company so permits.

Subscription and redemption are done at an unknown price at the request of the shareholder. Information about the subscription and redemption price for the previous banking day can be obtained from the Fund Company or the custodian institution.

The subscription or redemption price for a fund share amounts to the fund

share's value on the day of subscription or redemption calculated in accordance with section 8.

The value of the fund shares is determined and published no later than 11:00 ordinary Swedish banking day on the Management Company's website. Settlement and delivery of fund shares as well as Portfolio transactions, respectively, are carried out according to the normal settlement cycle (two banking days) following the notification of subscription and redemption.

The Fund may be closed for subscription and redemption of fund shares if the Fund has such a large holding of financial instruments in an underlying market that is wholly or partially closed that the Fund cannot be valued in a way that ensures a fair valuation with respect to all shareholders.

## **§ 10 Closure of the Fund in Extraordinary Circumstances**

The Fund may be closed for subscription and redemption if extraordinary circumstances have occurred that mean that the valuation of the Fund's assets cannot be done in a way that ensures the equality of shareholders.

## **§ 11 Fees and Compensation**

From the funds of the Fund, remuneration may be paid to the Management Company for its management, marketing, and administration of the Fund. Remuneration is calculated daily based value of the Fund and may not exceed 0.60 percent for Share Class A and 0.40 percent for Share Class B.

The Fund shall be charged all costs for brokerage, taxes, etc., when buying or selling financial instruments, as well as costs for custody, supervision, and auditors, shall be borne by the Fund.

Value added tax applies at any time to the remuneration according to the above.

## **§ 12 Dividend**

The Fund does not distribute any dividends.

## **§ 13 The Fund's Fiscal Year**

The fiscal year of the Fund is calendar year.

## **§ 14 Half-yearly and Annual reports**

The Management Company shall submit an annual report of the Fund within four months of the end of the financial year. The annual report shall be sent to the

Swedish Financial Supervisory Authority and sent free of charge to all shareholders who have requested to receive this and shall be available at the Management Company and the Depositary.

The Management Company shall submit half-yearly reports of the Fund for the first six months of the financial year within two months of the end of the first six months. The half-yearly report must be sent to the Swedish Financial Supervisory Authority and sent free of charge to all shareholders who have requested to receive this and shall be available at the Management Company and the Depositary.

The Management Companies Board of Directors decides on amendments in the Fund Rules. After the Swedish Financial Supervisory Authority approves the amendments, the amended Fund Rules shall be made available by the Management Company and the Depositary, and shall be announced, as the case may be, in the manner specified by the Swedish Financial Supervisory Authority.

## **§ 15 Pledging and Transfer of Ownership**

If a shareholder wishes to pledge shares belonging to the shareholder in the Fund, the shareholder (the pledgor) and/or the pledgee must notify the shareholder's custodian in writing in cases where the shares are nominee registered.

The notice shall state:

1. who is the fund shareholder/pledgor,
2. who is the pledgee,
3. which fund shares are covered by the pledge; and
4. any restrictions on the scope of the pledge.

The notification must be signed by the pledgor.

Requests for transfer of fund shares shall be notified in writing to the Management Company. Shareholders are responsible for ensuring that the notification is duly signed. The notification of transfer must indicate transferor and to whom the shares are transferred, his/her social security number/organization number, address, telephone number, securities account or custodian bank and custodian number, bank account and the purpose of the transfer.

The transfer of a share requires that the Management Company admit the transfer. Such consent is only given by the Management Company if the transfer is made in order to carry out division of property of matrimonial property, refers to a gift to the spouse or own children or refers to transfers between different legal entities within the same corporation group.

## **§ 16 Limited Liability**

The Management Company or the Depositary is not liable for damage caused by Swedish or foreign law, Swedish or foreign government action, event of war, strike, blockade, boycott, lockout or other similar circumstance. The reservation of liability with regards to strike, blockade, boycott and lockout applies even if the Management Company or the Depositary is the subject of or itself takes such a conflict action.

Damage incurred in other cases shall not be compensated by the Management Company or the Depositary if the Management Company and the Depositary were normally careful. The Management Company or Depositary is in no case responsible for indirect damage, unless the indirect damage was caused by the gross negligence of the Management Company or Depositary.

The Management Company or the Depositary shall not be liable for any damage caused by the Swedish or foreign stock exchange or other marketplace, custodian, central securities depository, clearing organization, or other provider of similar services, nor by contractors hired by the Management Company or the Depositary with due care or as a trust company. The same applies to damage caused by the above-mentioned organizations or contractors becoming insolvent. The Management Company or the Depositary shall not be liable for damages incurred by the Management Company, shareholders in the Fund or any other in connection with disposal restrictions that may be applied against the Management Company or the Depositary in respect of securities.

If the Management Company or the Depositary is obstructed to execute a measure in whole or in part under these provisions due to the circumstances mentioned in the first paragraph, the measure may be postponed until the obstacle has ceased. In the event of a deferred payment, the Management Company or the Depositary shall not pay interest on late payments.

If interest is pledged, the Management Company or the Depositary shall pay interest according to the interest rate applicable on the due date.

If the Management Company or the Depositary is prevented from receiving payment for the Fund as a result of the circumstances specified in the first paragraph, the Management Company or the Depositary for the period during which the obstacle existed is entitled to interest only under the conditions applicable on the due date.

Notwithstanding the above, the Management Company and the Depositary are liable for damages pursuant to chapter 2, section 21 and chapter 3, section 14-16 IFA.

## **§ 17 Restriction on Sales Rights**

The Fund or fund shares are not and are not intended to be registered in accordance with, at any time, the United States Securities Act 1933 or the United

States Investment Companies Act 1940 or other applicable laws in the United States.

Fund shares (or rights to fund shares) may not be offered, sold or otherwise distributed to or on behalf of the U.S. Persons (as defined in Regulation S of the United States Securities Act and interpreted in the United States Investment Companies Act 1940).

Fund shares may also not be offered, sold or otherwise distributed to persons or legal entities if, in the Management Company's assessment, this would involve or entail a risk of;

- I. violation of Swedish or foreign law or constitution,
- II. that the Management Company must take special registration or other measures or incur significant disadvantages for tax or economic reasons, and this cannot reasonably be required by the Management Company, or
- III. that the Fund incurs damage or costs that are not in the interests of the shareholders.

Anyone wishing to acquire shares in the Fund shall state to the Management Company the national domicile. Furthermore, shareholders are obliged, if applicable, to notify the Management Company of any changes in national domicile.

Buyers of shares in the Fund shall further confirm to the Management Company that he or she is not a U.S. Person and that the fund shares are acquired through a transaction outside the United States in accordance with Regulation S.

Subsequent transfer of the shares or rights thereto will only be made to a non-US person and shall be affected through a transaction outside the United States subject to the exemption under Regulation S. If the Management Company considers that it is not entitled to offer, sell or otherwise distribute fund shares as above, the Management Company is entitled to refuse the execution of such assignment of shares in the Fund and, where applicable, without prior consent, to redeem such shares in the Fund on his behalf and thus paying out additional funds to him.

## **Appendix: Pre-contractual disclosure for the financial products**

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Captor Iris Bond    **Legal entity identifier:** 549300S25WHDX44U0U14

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

   Yes

   No

<p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> ___%</p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> ___%</p>	<p><input type="checkbox"/> It promotes <b>Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with a social objective</p> <p> It promotes E/S characteristics, but <b>will not make any sustainable investments</b></p>
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### What environmental and/or social characteristics are promoted by this financial product?

The fund promotes environmental or social characteristics by integrating environmental, social, and governance factors into investment decisions.

The fund does not have a minimum share of sustainable investments but will, where deemed possible based on the liquidity and return requirements applicable to the fund, choose to include green, social, or sustainable bonds. By striving to invest in sustainable bonds, and considering the exclusion criteria applied to the fund, both environmental and social attributes are promoted.

The fund uses an exclusion method to reduce sustainability risks in the fund. Sustainability risk refers to environmental, social, or governance-related events or conditions that, if realized, could have a negative impact on the investment's value. By excluding various types of companies in the investment decision process, sustainability risks are reduced.

The fund promotes environmental characteristics through the following exclusions:

*Fossil Fuels*

- Oil (up to 5% of turnover)
- Coal (up to 5% of turnover)
- Oil Sands (up to 5% of turnover)
- Natural Gas (up to 5% of turnover)

The fund promotes social characteristics through the following exclusions:

- Controversial weapons (0%)
- Nuclear weapons (0%)
- Weapons and military contracting (up to 5% of turnover)
- Alcohol (up to 5% of turnover)
- Tobacco (up to 5% of turnover)
- Pornography (up to 5% of turnover)
- Commercial gambling (operation and business, as well as customized equipment and accessories, up to 5% of turnover)

Owning bonds does not give the right to vote at the company's general meeting. However, Captor strives to influence companies on ESG issues where there are opportunities to do so. This is primarily achieved through dialogue and other forms of engagement.

Good governance practices encompass sound management structures, employee relations, compensation, and compliance with tax regulations. Prior to each investment, a check is conducted to ensure that the investment aligns with good governance practices. This means that the investment should not systematically violate, for instance, ILO conventions.

The fund promotes investments in companies that adhere to international norms and conventions such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

The fund excludes investments in countries listed on the UN's and EU's sanctions list.

The fund takes into account how negative sustainability consequences are affected in accordance with Article 7 (EU) 2019/2088 (Disclosure Regulation), and the company will report in accordance with Article 11(2) (EU) 2019/2088.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

- Percentage of turnover from fossil fuels (oil, coal, oil sands, natural gas) (5%)
- Percentage of turnover from controversial weapons (0%)
- Percentage of turnover from weapons and military contracting (5%)
- Percentage of turnover from nuclear weapons (0%)
- Percentage of turnover from alcohol (5%)
- Percentage of turnover from tobacco (5%)
- Percentage of turnover from pornography (5%)
- Percentage of turnover from commercial gambling (5%)

- Violations of international norms and conventions such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises
- Investments in countries listed on the UN's and EU's sanctions list
- Percentage of green, social, or sustainable bonds
- Percentage of dialogues and engagements related to ESG issues

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable as the fund does not have any sustainable investment objective.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable as the fund does not have any sustainable investment objective.

— **How have the indicators for adverse impacts on sustainability factors been taken into account?**

The fund considers how adverse impacts on sustainability factors are affected in accordance with Article 7 (EU) 2019/2088 (Disclosure Regulation), and the company will report in accordance with Article 11(2) (EU) 2019/2099. More information can be found in Captor's statement on adverse impacts on sustainable development, available at <https://captor.se/hallbarhet/> .

— **How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

All investments undergo a screening process to ensure they do not violate international norms and conventions, such as the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This includes the principles and rights outlined in the eight core conventions of the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and the international framework for human rights.

Captor use Sustainalytics as an external provider of screening services. The fund reports the portion of the fund's holdings that align with the mentioned norms and conventions. If a company consistently violates international norms and

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

conventions, that holding will be divested. The fund reports the companies that have been divested during the year in its annual reporting.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **Does this financial product consider principal adverse impacts on sustainability factors?**

Yes, \_\_\_\_\_

#### **Climate and other environment-related indicators for investments in investee companies**

1. Greenhouse gas emissions (Scope 1-3)
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity-sensitive areas
8. Emissions to water
9. Hazardous waste and radioactive waste ratio

#### **Social indicators for investments in investee companies**

2. Rate of accidents
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

#### **Climate and other environment-related indicators for investments in real estates**

17. Exposure to fossil fuels through real estate assets
18. Exposure to energy-inefficient real estate assets

## Indicators for investments in sovereigns and supranationals

16. Investee countries subject to social violations
17. Share of bonds not issued under Union legislation on environmentally sustainable bonds
20. Average human rights performance

No



## What investment strategy does this financial product follow?

The fund invests in covered bonds and bonds issued or guaranteed by governments, municipalities, or supranational organizations. These bonds should have a high credit rating, and the fund's average interest rate risk is low. The fund does not have a minimum share of sustainable investments but will, where deemed possible based on the liquidity and return requirements applicable to the fund, choose to include green, social, or sustainable bonds. By striving to invest in sustainable bonds, and considering the exclusion criteria applied to the fund, both environmental and social attributes are promoted.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

### *What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*

- The fund adheres to Captor's responsible investment policy.
- The fund excludes investments in countries listed on the UN and EU sanctions lists.
- The fund follows Captor's principles for shareholder engagement.
- The fund invests capital in secured housing bonds and bonds issued or guaranteed by states, municipalities, and supranational organizations. The universe is screened to exclude companies with revenue from products and services with identified sustainability risks. Companies that systematically violate international norms and conventions are also excluded. The fund's holdings are continuously screened by the fund manager and the company's sustainability responsible. If a company violates the fund's sustainability criteria, that holding will be divested.

### *What is the policy to assess good governance practices of the investee companies?*

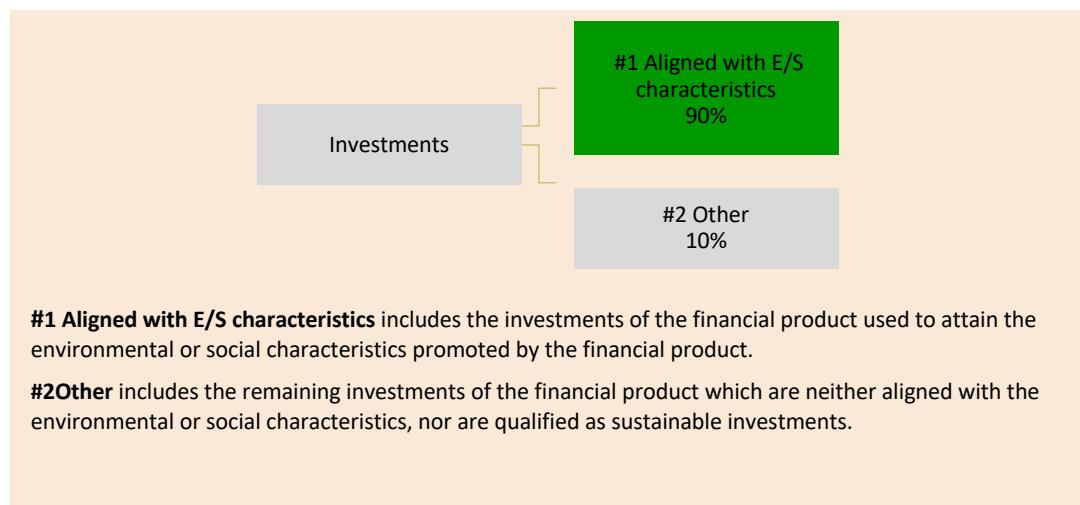
Good governance practices include sound structures, employee relations, remuneration of staff and tax compliance. Before each investment, a check is conducted to ensure that the investment adheres to good governance practices. This means that the investment should not systematically violate, for instance, ILO (International Labour Organization) conventions.

**Asset allocation**  
describes the  
share of  
investments in  
specific assets.



## What is the asset allocation planned for this financial product?

At least 90% of the fund's investments are expected to be aligned with environmental or social attributes



Taxonomy-aligned activities are expressed as a share of:  
- **turnover** reflecting the share of revenue from green activities of investee companies  
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.  
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

### ● *How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?*

The fund may use derivatives, but not to maintain the fund's sustainability criteria. Captor ensures through an internal process that the use of derivatives aligns with the fund's sustainability criteria. The same criteria are applied when assessing sustainability as when evaluating the sustainability of securities.



### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund has no commitment to make sustainable investments or investments with environmental goals compatible with the requirements of the EU Taxonomy. Therefore, an initial minimum level is set at 0%.

- Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU taxonomy<sup>1</sup>?

**Enabling activities**  
directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are**  
activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

**Yes**

**In fossil gas**

**In nuclear energy**

**✗ No**

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments, including sovereign bonds\*

- Taxonomy-aligned: Fossil gas
- Taxonomy-aligned: Nuclear
- Taxonomy-aligned (No fossil gas & nuclear)
- Non Taxonomy-aligned



2. Taxonomy-alignment of investments, excluding sovereign bonds\*

- Taxonomy-aligned: Fossil gas
- Taxonomy-aligned: Nuclear
- Taxonomy-aligned (No fossil gas & nuclear)
- Non Taxonomy-aligned



*\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

- **What is the minimum share of investments in transitional and enabling activities?**

Not applicable as the fund does not have any commitment to make sustainable investments or investments with environmental goals compatible with the requirements of the EU Taxonomy.

- **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable as the fund does not have any commitment to make sustainable investments or investments with environmental goals compatible with the requirements of the EU Taxonomy.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.



### **What is the minimum share of socially sustainable investments?**

Not applicable as the fund does not have any commitment to make socially sustainable investments.



### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The fund has no commitment to make sustainable investments. In "No. 2 Other," there are liquid assets needed for the management of the fund.



### **Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No index has been selected for the purpose of determining whether the financial product is aligned with the environmental and/or social attributes that the fund promotes.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



### **Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

More product-specific information can be found on the website:

<https://captor.se/fonder/iris>

**Template pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**.

That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: Captor Dahlia Green Bond Legal entity identifier: 5493005PEZZP7RXS7910

## Sustainable investment objective

### Does this financial product have a sustainable investment objective?

Yes

It will make a minimum of **sustainable investments with an environmental objective: 85 %**

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective: \_\_\_%**

No

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



### What is the sustainable investment objective of this financial product?

The fund primarily invests in green bonds but also in bonds and other interest-bearing financial instruments with various sustainability themes, such as social, sustainable, or sustainability-linked bonds.

The goal is to contribute positively to various environmental effects, such as an increased share of renewable energy, reduced emissions, positive development of biodiversity, efficient use of resources, and the circular economy. The fund has a minimum level of sustainable investments with an environmental target of at least 85%.

**Sustainability indicators** measure how the sustainable objectives of this financial product are attained.

The fund has no minimum level of sustainable investments with a social goal. Nevertheless, the fund will make investments in, for example, social bonds. By investing in other types of bonds and interest-bearing financial instruments with various themes, the fund will promote both environmental and social characteristics. By investing in social bonds, the fund will contribute positively to various social effects, such as combating inequalities, increased access to basic infrastructure, and services.

The fund uses an exclusion method to reduce sustainability risks in the fund. Sustainability risk refers to environmental, social, or governance-related events or conditions that, if realized, could have a negative impact on the investment's value. By excluding various types of companies in the investment decision process, sustainability risks are reduced.

The fund promotes environmental characteristics through the following exclusions:

Fossil Fuels

Oil (up to 5% of turnover)

Coal (up to 5% of turnover)

Oil Sands (up to 5% of turnover)

Natural Gas (up to 5% of turnover)

The fund may make sustainable investments that exceed the threshold of fossil fuels due to investments in transition projects.

The fund promotes social characteristics through the following exclusions:

Controversial weapons (0%)

Nuclear weapons (0%)

Weapons and military contracting (up to 5% of turnover)

Alcohol (up to 5% of turnover)

Tobacco (up to 5% of turnover)

Pornography (up to 5% of turnover)

Commercial gambling (operation and business, as well as customized equipment and accessories, up to 5% of turnover)

Owning bonds does not give the right to vote at the company's general meeting.

However, Captor strives to influence companies on ESG issues where there are opportunities to do so. This is primarily achieved through dialogue and other forms of engagement.

Good governance practices encompass sound management structures, employee relations, compensation, and compliance with tax regulations. Prior to each investment, a check is conducted to ensure that the investment aligns with good governance practices. This means that the investment should not systematically violate, for instance, ILO conventions.

The fund promotes investments in companies that adhere to international norms and conventions such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

The fund excludes investments in countries listed on the UN's and EU's sanctions list.

The fund takes into account how negative sustainability consequences are affected in accordance with Article 7 (EU) 2019/2088 (Disclosure Regulation), and the company will report in accordance with Article 11(2) (EU) 2019/2088.

● ***What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?***

- Percentage of turnover from fossil fuels (oil, coal, oil sands, natural gas) (5%)
- Percentage of turnover from controversial weapons (0%)
- Percentage of turnover from weapons and military contracting (5%)
- Percentage of turnover from nuclear weapons (0%)
- Percentage of turnover from alcohol (5%)
- Percentage of turnover from tobacco (5%)
- Percentage of turnover from pornography (5%)
- Percentage of turnover from commercial gambling (5%)
- Violations of international norms and conventions such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises
- Investments in countries listed on the UN's and EU's sanctions list
- Percentage of green, social, or sustainable bonds
- Percentage of dialogues and engagements related to ESG issues

The following sustainability indicators are specifically used to assess and measure the achievement of sustainable investments in green, social, and sustainable bonds:

- Category distribution
- Project categories
- Percentage of transition companies
- Second-party opinion providers
- 17 Global Goal
- Science-based targets
- EU taxonomy environmental objectives

● ***How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?***

A sustainable investment that contributes to an environmental or social goal must, in addition, ensure compliance with good governance practices and that the investment does not cause significant harm (referred to as "Do no Significant Harm" or DNSH) to any other environmental or social goal for a sustainable investment.

The investment must not violate the UN's ten basic principles (UN Global Compact) or be exposed to controversial weapons. To ensure that the fund limits or refrains from investments in activities deemed negative to the environment and society, the fund applies exclusion criteria. These criteria are assessed continuously and are related to the issuer's turnover within the area.

— — — *How have the indicators for adverse impacts on sustainability factors been taken into account?*

The fund considers how adverse impacts on sustainability factors are affected in accordance with Article 7 (EU) 2019/2088 (Disclosure Regulation), and the company will report in accordance with Article 11(2) (EU) 2019/2099. More information can be found in Captor's statement on adverse impacts on sustainable development, available at <https://captor.se/hallbarhet/> .

— — — *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?*

All investments undergo a screening process to ensure they do not violate international norms and conventions, such as the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This includes the principles and rights outlined in the eight core conventions of the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and the international framework for human rights.

Captor use Sustainalytics as an external provider of screening services. The fund reports the portion of the fund's holdings that align with the mentioned norms and conventions. If a company consistently violates international norms and conventions, that holding will be divested. The fund reports the companies that have been divested during the year in its annual reporting.



**Does this financial product consider principal adverse impacts on sustainability factors?**

Yes

No

#### **Climate and other environment-related indicators for investments in investee companies**

1. Greenhouse gas emissions (Scope 1-3)
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity-sensitive areas
8. Emissions to water
9. Hazardous waste and radioactive waste ratio

## Social indicators for investments in investee companies

2. Rate of accidents
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

## Climate and other environment-related indicators for investments in real estates

17. Exposure to fossil fuels through real estate assets
18. Exposure to energy-inefficient real estate assets

## Indicators for investments in sovereigns and supranationals

16. Investee countries subject to social violations
17. Share of bonds not issued under Union legislation on environmentally sustainable bonds
20. Average human rights performance



## What investment strategy does this financial product follow?

Captor Dahlia Green Bond is an actively managed fixed income fund that invests in so-called green bonds. A green bond refers to a bond or other interest-bearing financial assets where the proceeds are used to finance or refinance projects with a positive environmental impact. The fund primarily invests capital in green bonds but also in bonds and other interest-bearing financial instruments with various sustainability themes such as social bonds and sustainability-linked bonds. Captor Dahlia Green Bond encompasses projects in renewable energy, energy efficiency, clean transportation, climate change adaptation, and green buildings, among others. The projects financed by green bonds may fall into more than one category.

### ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

- Sustainable classified bond
- External framework review (a "Second Party Opinion") has been conducted.
- The external review confirms that ICMA's (International Capital Market Association) principles have been adhered to regarding reporting, good governance practices, and allocation of emission proceeds.
- For an EU-classified green bond, the external review must confirm adherence to EU standards.
- The investment purpose is approved by Captor's ESG team meaning that the framework has sufficiently ambitious goals for the use of proceeds.
- Projects are linked to one or more of the 17 global goals.
- Projects will not significantly harm any environmental goals as per Article 2.17

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

**Asset allocation** describes the share of investments in specific assets.



(EU) 2019/2088.

- If Captor assesses the company to be a transition company, an extended review is performed to ensure that emission proceeds are used to finance projects that substantially reduce sustainability risks in the company, such as high Scope 1 emissions.

Furthermore:

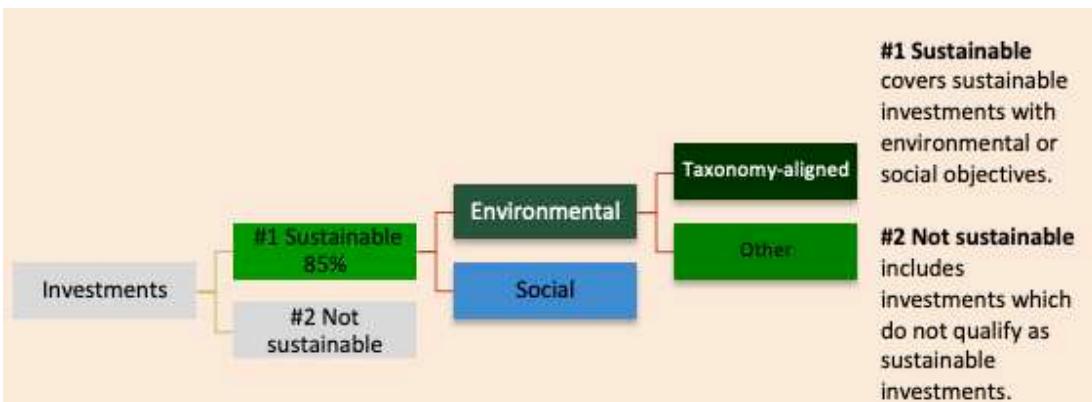
- The fund adheres to Captor's responsible investment policy.
- The fund excludes investments in countries listed on the UN and EU sanctions lists.
- The fund follows Captor's principles for shareholder engagement.
- The fund invests capital in secured housing bonds and bonds issued or guaranteed by states, municipalities, and supranational organizations. The universe is screened to exclude companies with revenue from products and services with identified sustainability risks. Companies that systematically violate international norms and conventions are also excluded. The fund's holdings are continuously screened by the fund manager and the company's sustainability responsible. If a company violates the fund's sustainability criteria, that holding will be divested.

### ● **What is the policy to assess good governance practices of the investee companies?**

Good governance practices include sound structures, employee relations, remuneration of staff and tax compliance. Before each investment, a check is conducted to ensure that the investment adheres to good governance practices. This means that the investment should not systematically violate, for instance, ILO (International Labour Organization) conventions.

### **What is the asset allocation and the minimum share of sustainable investments?**

At least 85% of the fund's investments will be in sustainable investments. The fund aims to have 100% sustainable investments. By temporarily investing in covered bonds when there are significant inflows, we can avoid purchasing expensive sustainable bonds at the moment or those that do not align with the fund strategy. This means that a certain portion of the fund's investments will fall under "No. 2: Not sustainable."



**Enabling activities**  
directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities are**  
activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

Sustainable investments in Captor Dahlia Green Bond may be in line with the requirements of the EU Taxonomy. Currently, there are no specific targets for a minimum level, as reliable data on companies' taxonomy compatibility is lacking. Nevertheless, the fund may contain investments that align with the EU Taxonomy. Because of this, the initial minimum level in accordance with the EU Taxonomy is set at 0%.

**Does this financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU taxonomy<sup>1</sup>?**

Yes

In fossil gas  In nuclear energy

No

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



*\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objectives -see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214

 are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

#### **What is the minimum share of investments in transitional and enabling activities?**

The fund does not have a minimum share of investments in transition activities or enabling activities, but the fund conducts an internal assessment to determine the extent to which the fund's investments are in so-called transition companies.



#### **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The fund does not have a minimum threshold for sustainable investments with an environmental goal that is not compatible with the EU Taxonomy.



#### **What is the minimum share of sustainable investments with a social objective?**

The fund does not have a minimum threshold for sustainable investments with a social goal.



#### **What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?**

Other investments categorized under "#2: Not sustainable" in the planned asset allocation include, for example, covered- and government bonds, cash equivalents and interest rate swap. The fund uses derivatives but not to uphold the fund's sustainability criteria. However, these investments must also comply with Captor's responsible investment policy and should not involve companies that violate any of the fund's excluded products and services.



#### **Is a specific index designated as a reference benchmark to meet the sustainable investment objective?**

The fund uses the Bloomberg MSCI Euro Corp Green Bond hedged SEK as a benchmark. However, this benchmark is not used to determine how well the fund meets the sustainable development goals.

**Reference benchmarks** are indexes to measure whether the financial product attains the sustainable investment objective.

#### **Where can I find more product specific information online?**

**More product-specific information can be found on the website:**



**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Captor Scilla Global Equity      **Legal entity identifier:** 5493006YUOIPV8X7R310

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

● ●  **Yes**

● ●  **No**

It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_%

- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective:** \_\_\_%

**It promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments

- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- with a social objective

**It promotes E/S characteristics, but will not make any sustainable investments**



### What environmental and/or social characteristics are promoted by this financial product?

The fund promotes environmental or social characteristics by integrating environmental, social, and governance factors into investment decisions.

The fund uses an exclusion method to reduce sustainability risks in the fund. Sustainability risk refers to environmental, social, or governance-related events or conditions that, if realized, could have a negative impact on the investment's value. By excluding various types of companies in the investment decision process, sustainability risks are reduced.

The fund promotes environmental characteristics through the following exclusions:

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

*Fossil Fuels*

Oil (up to 5% of turnover)  
Coal (up to 5% of turnover)  
Oil Sands (up to 5% of turnover)  
Natural Gas (up to 5% of turnover)

The fund promotes social characteristics through the following exclusions:

Controversial weapons (0%)  
Nuclear weapons (0%)  
Weapons and military contracting (up to 5% of turnover)  
Alcohol (up to 5% of turnover)  
Tobacco (up to 5% of turnover)  
Pornography (up to 5% of turnover)  
Commercial gambling (operation and business, as well as customized equipment and accessories, up to 5% of turnover)

The company shall normally participate in annual meetings for the portfolio companies where the fund is a significant shareholder, as well as in annual meetings where central issues such as essential ESG (Environmental, Social, and Governance) matters are addressed. The company considers itself a significant shareholder if the fund owns more than 5% or more capital and/or votes in a specific portfolio company. When there is an indication from Sustainalytics that a company is at risk of violating international norms and conventions, the company can initiate a dialogue with representatives to highlight the issues and gain important information. When the company identifies a portfolio company that systematically violates international norms and conventions, the fund will express its shareholder engagement by selling the holding.

Good governance practices encompass sound management structures, employee relations, compensation, and compliance with tax regulations. Prior to each investment, a check is conducted to ensure that the investment aligns with good governance practices. This means that the investment should not systematically violate, for instance, ILO conventions.

The fund promotes investments in companies that adhere to international norms and conventions such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

The fund excludes investments in countries listed on the UN's and EU's sanctions list.

The fund takes into account how negative sustainability consequences are affected in accordance with Article 7 (EU) 2019/2088 (Disclosure Regulation), and the company will report in accordance with Article 11(2) (EU) 2019/2088.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

- Percentage of turnover from fossil fuels (oil, coal, oil sands, natural gas) (5%)
- Percentage of turnover from controversial weapons (0%)
- Percentage of turnover from weapons and military contracting (5%)
- Percentage of turnover from nuclear weapons (0%)
- Percentage of turnover from alcohol (5%)
- Percentage of turnover from tobacco (5%)

- Percentage of turnover from pornography (5%)
- Percentage of turnover from commercial gambling (5%)
- Violations of international norms and conventions such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises
- Investments in countries listed on the UN's and EU's sanctions list
- Percentage of dialogues and engagements related to ESG issues

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable as the fund does not have any sustainable investment objective.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable as the fund does not have any sustainable investment objective.

— ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

The fund considers how adverse impacts on sustainability factors are affected in accordance with Article 7 (EU) 2019/2088 (Disclosure Regulation), and the company will report in accordance with Article 11(2) (EU) 2019/2099. More information can be found in Captor's statement on adverse impacts on sustainable development, available at <https://captor.se/hallbarhet/>.

— ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

All investments undergo a screening process to ensure they do not violate international norms and conventions, such as the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This includes the principles and rights outlined in the eight core conventions of the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and the international framework for human rights.

Captor use Sustainalytics as an external provider of screening services. The fund reports the portion of the fund's holdings that align with the mentioned norms and conventions. If a company consistently violates international norms and conventions, that holding will be divested. The fund reports the companies that have been divested during the year in its annual reporting

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **Does this financial product consider principal adverse impacts on sustainability factors?**

Yes

#### **Climate and other environment-related indicators for investments in investee companies**

1. Greenhouse gas emissions (Scope 1-3)
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity-sensitive areas
8. Emissions to water
9. Hazardous waste and radioactive waste ratio

#### **Social indicators for investments in investee companies**

2. Rate of accidents
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

#### **Climate and other environment-related indicators for investments in real estates**

17. Exposure to fossil fuels through real estate assets
18. Exposure to energy-inefficient real estate assets

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.



Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

### Indicators for investments in sovereigns and supranationals

16. Investee countries subject to social violations
17. Share of bonds not issued under Union legislation on environmentally sustainable bonds
20. Average human rights performance

No

### What investment strategy does this financial product follow?

Captor Scilla Global Equity is an actively managed fund that invests in equities on global stock exchanges. The fund is based on Captor's management strategy Scilla. Scilla is a strategy that invests in companies that offer an attractive balance between expected returns and risk compared to the global market's average.

Equity selection is also based on well-chosen guidelines for liquidity and volatility. The strategy places a particular focus on the fund's risk, which means that in a volatile market, the fund may hold more cash and apply a certain level of leverage in calmer markets. The selection method means that the strategy is exposed to approximately one-fifth of the original population. With the global population of liquid equities, this means the fund holds approximately 300 companies.

The management is focused on generating excess returns through a more controlled approach to risk-taking, rather than through fundamental company analysis. Therefore, the fund's management methodology is robust and does not shift over time, ensuring stable and, over time, higher risk-adjusted returns compared to index management.

#### ● *What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?*

- The fund adheres to Captor's responsible investment policy.
- The fund excludes investments in countries listed on the UN and EU sanctions lists.
- The fund follows Captor's principles for shareholder engagement.
- The fund invests capital in secured housing bonds and bonds issued or guaranteed by states, municipalities, and supranational organizations. The universe is screened to exclude companies with revenue from products and services with identified sustainability risks. Companies that systematically violate international norms and conventions are also excluded. The fund's holdings are continuously screened by the fund manager and the company's sustainability responsible. If a company violates the fund's sustainability criteria, that holding will be divested.

#### ● *What is the policy to assess good governance practices of the investee companies?*

Good governance practices include sound structures, employee relations, remuneration of staff and tax compliance. Before each investment, a check is conducted to ensure that the investment adheres to good governance practices. This means that the investment should not systematically violate, for instance, ILO (International Labour Organization) conventions.

**Asset allocation** describes the share of investments in specific assets.

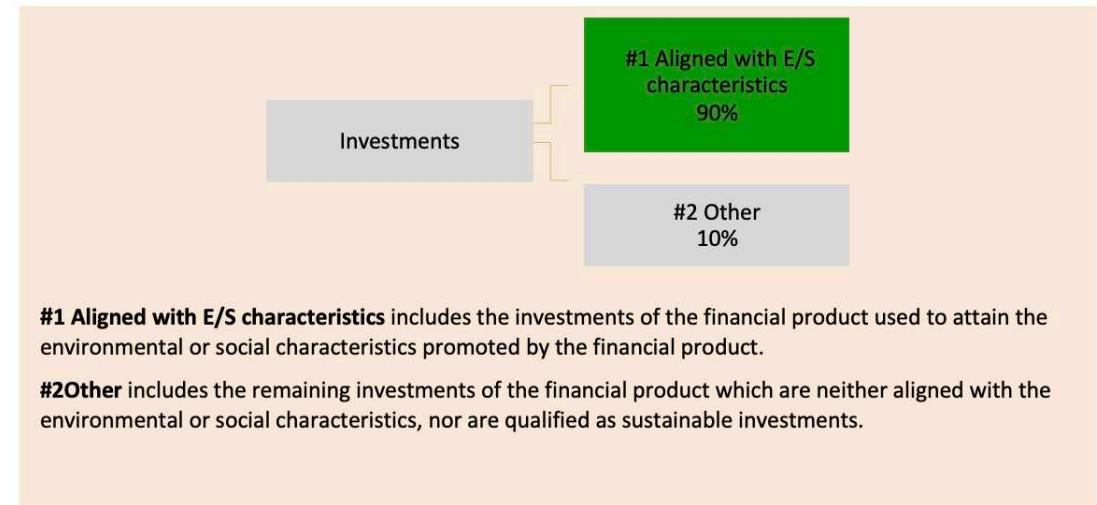


### What is the asset allocation planned for this financial product?

At least 90% of the fund's investments are expected to be aligned with environmental or social attributes

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.



#### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The fund may use derivatives, but not to maintain the fund's sustainability criteria. Captor ensures through an internal process that the use of derivatives aligns with the fund's sustainability criteria. The same criteria are applied when assessing sustainability as when evaluating the sustainability of securities.



### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund has no commitment to make sustainable investments or investments with environmental goals compatible with the requirements of the EU Taxonomy. Therefore, an initial minimum level is set at 0%.

#### ● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU taxonomy<sup>1</sup>?**

Yes

In fossil gas  In nuclear energy

No

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



*\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

#### ● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable as the fund does not have any commitment to make sustainable investments or investments with environmental goals compatible with the requirements of the EU Taxonomy.



#### **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable as the fund does not have any commitment to make sustainable investments or investments with environmental goals compatible with the requirements of the EU Taxonomy.



#### **What is the minimum share of socially sustainable investments?**

Not applicable as the fund does not have any commitment to make socially sustainable investments.



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

The fund has no commitment to make sustainable investments. In "No. 2 Other," there are liquid assets needed for the management of the fund.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No index has been selected for the purpose of determining whether the financial product is aligned with the environmental and/or social attributes that the fund promotes.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



**Where can I find more product specific information online?**

More product-specific information can be found on the website:  
<https://www.captor.se/fonder/scilla>

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



**Product name:** Captor Aster Global Credit  
**Legal entity identifier:** 549300XBMWNNXYNCZ195

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

● ●  Yes

● ●  No

It will make a minimum of sustainable investments with an environmental objective: \_\_\_%  
 in economic activities that qualify as environmentally sustainable under the EU Taxonomy  
 in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: \_\_\_%

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments  
 with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy  
 with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  
 with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**

### What environmental and/or social characteristics are promoted by this financial product?

The fund promotes environmental or social characteristics by integrating environmental, social, and governance factors into investment decisions.

The fund does not have a minimum proportion for sustainable investments, but will, where possible based on the liquidity and return requirements of the fund, select green, social, or sustainable bonds. By striving to invest in sustainable bonds and adhering to the exclusion criteria applied to the fund, both environmental and social attributes are promoted.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

The fund uses the method of exclusion to reduce sustainability risks. A sustainability risk refers to environmental, social, or governance-related events or conditions that, if realized, could have a negative impact on the value of the investment. By excluding various types of companies in the investment decision process, sustainability risks are reduced.

The fund promotes environmental characteristics through the following exclusions:

Fossil Fuels:

- Oil (max 5% of turnover)
- Coal (max 5% of turnover)
- Oil Sands (max 5% of turnover)
- Natural Gas (max 5% of turnover)

The fund promotes social characteristics through the following exclusions:

- Controversial Weapons (0%)
- Weapons and Military Contracting (5%)
- Nuclear Weapons (0%)
- Alcohol (max 5% of turnover)
- Tobacco (max 5% of turnover)
- Pornography (max 5% of turnover)
- Commercial Gambling (operation and business as well as customized equipment and accessories 5%).

Owning bonds does not give the right to vote at the company's general meeting. Nevertheless, Captor strives to influence companies on ESG issues where possible. This is primarily achieved through dialogue and other types of engagement.

Good governance practices include sound management structures, employee relationships, compensation for personnel, and compliance with tax rules. A check is made before each investment to ensure that it complies with good governance practices. This means that the investment should not systematically violate, for example, ILO conventions.

The fund promotes investments in companies that adhere to international norms and conventions such as the UN Global Compact and the OECD guidelines for multinational enterprises.

The fund excludes investments in countries listed on the UN and EU sanctions lists. The fund considers how negative consequences for sustainability factors are affected in accordance with Article 7 (EU) 2019/2088 (Disclosure Regulation), and the company will report in accordance with Article 11(2) (EU) 2019/2088.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

- Share of turnover from fossil fuels (oil, coal, oil sands, natural gas) (5%)
- Share of turnover from controversial weapons (0%)
- Share of turnover from weapons and military contracting (5%)
- Share of turnover from nuclear weapons (0%)
- Share of turnover from alcohol (5%)

- Share of turnover from tobacco (5%)
- Share of turnover from pornography (5%)
- Share of turnover from commercial gambling (5%)
- Violations of international norms and conventions such as the UN Global Compact and OECD guidelines for multinational companies
- Investments in countries listed on the UN and EU sanctions list
- Share of green, social, or sustainable bonds
- Amount of dialogues and engagement related to ESG issues.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable as the Fund does not have sustainable investments as a goal.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable as the Fund does not have sustainable investments as a goal.

● ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

The fund considers how negative impacts on sustainability factors are affected in accordance with Article 7 (EU) 2019/2088 (Disclosure Regulation), and the company will report in accordance with Article 11(2) (EU) 2019/2088. More information is available in Captor's statement on principle adverse impacts on sustainable development, <https://captor.se/hallbarhet>

● ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

Despite the fund not having sustainable investments as its goal, all investments undergo screening to ensure they do not violate international norms and conventions, such as the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This includes the principles and rights outlined in the eight fundamental conventions specified in the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and in the international framework for human rights.

Captor utilizes Sustainalytics as an external provider of screening services. The fund reports the portion of its holdings that align with the mentioned norms and conventions. If a company consistently violates international norms and conventions, that holding will be divested. The fund discloses which companies have been divested during the year in its annual reporting.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **Does this financial product consider principal adverse impacts on sustainability factors?**

Yes, \_\_\_\_\_

No

#### **Climate and other environment-related indicators for investments in investee companies**

1. Greenhouse gas emissions (Scope 1-3)
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity-sensitive areas
8. Emissions to water
9. Hazardous waste and radioactive waste ratio

#### **Social indicators for investments in investee companies**

2. Rate of accidents
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

#### **Climate and other environment-related indicators for investments in real estates**

17. Exposure to fossil fuels through real estate assets
18. Exposure to energy-inefficient real estate assets

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.



**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

### **Indicators for investments in sovereigns and supranationals**

16. Investee countries subject to social violations
17. Share of bonds not issued under Union legislation on environmentally sustainable bonds
20. Average human rights performance

### **What investment strategy does this financial product follow?**

Captor Aster Global Credit is a global corporate bond fund. The fund has an interest rate exposure in Swedish kronor and a global credit exposure. In its position-taking, foreign currency risk and interest rate risk in foreign currencies are avoided. This minimizes currency hedging costs and makes the fund suitable for institutional investors with commitments in Swedish kronor.

The fund invests capital in Swedish secured residential bonds in combination with credit derivatives to maintain the global credit exposure, as well as interest rate derivatives for positions in long-term Swedish interest rates. The advantage of credit derivatives is that they provide the fund with good liquidity and diversification. The fund may also periodically invest in corporate bonds or bonds issued or guaranteed by states, municipalities, and supranational organizations.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

- The fund follows Captor's responsible investment policy.
- The fund excludes investments in countries listed on the UN and EU sanctions list.
- The fund adheres to Captor's principles of shareholder engagement.

● - The universe is screened to exclude companies with turnover in a number of products and services with identified sustainability risks. Companies that consistently violate international norms and conventions are also excluded. The fund's holdings are then continuously screened by the fund managers and the company's sustainability team. If a company violates the fund's sustainability criteria, that holding will be divested.

● ***What is the policy to assess good governance practices of the investee companies?***

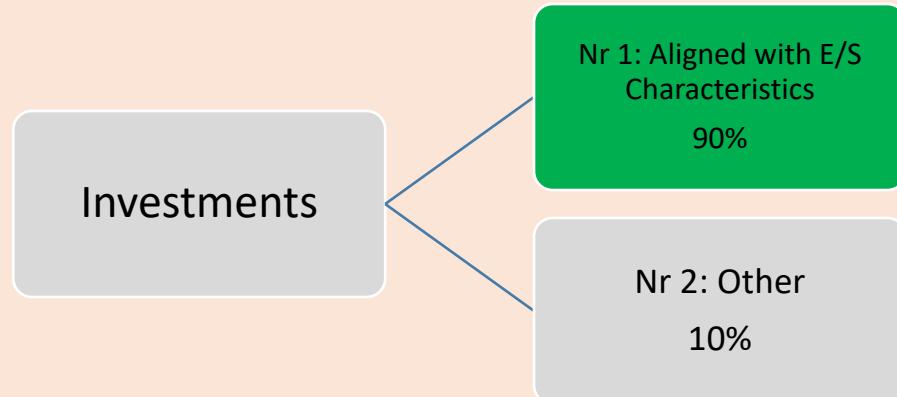
The practice of good governance encompasses sound management structures, employee relationships, personnel compensation, and compliance with tax regulations. Before each investment, a check is conducted to ensure that the investment complies with the practice of good governance. This means that the investment must not systematically violate, for example, ILO conventions.

Captor identifies businesses/countries engaged in activities that may be considered in violation of international conventions or subject to sanctions imposed by the UN Security Council, meaning they do not adhere to the practice of good governance. These companies/countries are excluded from the fund's investment universe. The practice of good governance is not applied to government bonds in accordance with EU regulations.

**Asset allocation**  
describes the share of investments in specific assets.



### What is the asset allocation planned for this financial product?



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

A minimum of 90% of the fund's investments are expected to be aligned with environmental or social characteristics.

● ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

The fund may use derivatives, but not to uphold the fund's sustainability criteria. Captor ensures through an internal process that the use of derivatives is in line with the fund's sustainability criteria. The same criteria are applied when assessing sustainability as in the evaluation of securities' sustainability.



### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund has no commitment to make sustainable investments or investments compatible with the requirements of the EU taxonomy with an environmental objective. Therefore, initially, a minimum level is set at 0%.

● ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU taxonomy<sup>1</sup>?***

Yes

In fossil gas

In nuclear energy

No

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

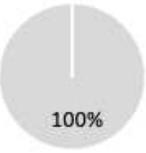
1. Taxonomy-alignment of investments, including sovereign bonds\*

- Taxonomy-aligned: Fossil gas
- Taxonomy-aligned: Nuclear
- Taxonomy-aligned (No fossil gas & nuclear)
- Non Taxonomy-aligned



2. Taxonomy-alignment of investments, excluding sovereign bonds\*

- Taxonomy-aligned: Fossil gas
- Taxonomy-aligned: Nuclear
- Taxonomy-aligned (No fossil gas & nuclear)
- Non Taxonomy-aligned



*\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable as the fund has no commitment to make sustainable investments or investments compatible with the requirements of the EU taxonomy with an environmental objective.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

 **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable as the fund has no commitment to make sustainable investments or investments compatible with the requirements of the EU taxonomy with an environmental objective.

 **What is the minimum share of socially sustainable investments?**

Not applicable as the fund does not have any commitment to make socially sustainable investments.

 **What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

There is no commitment to make sustainable investments. "Nr 2 Other" includes such liquid assets as are needed for the management of the fund.



Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No index has been selected to determine whether the financial product is aligned with the environmental and/or social characteristics that the fund promotes.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

<https://captor.se/fonder/aster>

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Captor Aster Global Credit Short-Term    **Legal entity identifier:** 636700ZS7UIPLCSIGG70

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

● ●  Yes

● ●  No

It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_%  
 in economic activities that qualify as environmentally sustainable under the EU Taxonomy  
 in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective:** \_\_\_%

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments  
 with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy  
 with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  
 with a social objective

It **promotes E/S characteristics, but will not make any sustainable investments**



### What environmental and/or social characteristics are promoted by this financial product?

The fund promotes environmental or social characteristics by integrating environmental, social, and governance factors into investment decisions.

The fund does not have a minimum proportion for sustainable investments, but will, where possible based on the liquidity and return requirements of the fund, select green, social, or sustainable bonds. By striving to invest in sustainable bonds and adhering to the exclusion criteria applied to the fund, both environmental and social attributes are promoted.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

The fund uses the method of exclusion to reduce sustainability risks. A sustainability risk refers to environmental, social, or governance-related events or conditions that, if realized, could have a negative impact on the value of the investment. By excluding various types of companies in the investment decision process, sustainability risks are reduced.

The fund promotes environmental characteristics through the following exclusions:

Fossil Fuels:

- Oil (max 5% of turnover)
- Coal (max 5% of turnover)
- Oil Sands (max 5% of turnover)
- Natural Gas (max 5% of turnover)

The fund promotes social characteristics through the following exclusions:

- Controversial Weapons (0%)
- Weapons and Military Contracting (5%)
- Nuclear Weapons (0%)
- Alcohol (max 5% of turnover)
- Tobacco (max 5% of turnover)
- Pornography (max 5% of turnover)
- Commercial Gambling (operation and business as well as customized equipment and accessories 5%).

Owning bonds does not give the right to vote at the company's general meeting. Nevertheless, Captor strives to influence companies on ESG issues where possible. This is primarily achieved through dialogue and other types of engagement.

Good governance practices include sound management structures, employee relationships, compensation for personnel, and compliance with tax rules. A check is made before each investment to ensure that it complies with good governance practices. This means that the investment should not systematically violate, for example, ILO conventions.

The fund promotes investments in companies that adhere to international norms and conventions such as the UN Global Compact and the OECD guidelines for multinational enterprises.

The fund excludes investments in countries listed on the UN and EU sanctions lists. The fund considers how negative consequences for sustainability factors are affected in accordance with Article 7 (EU) 2019/2088 (Disclosure Regulation), and the company will report in accordance with Article 11(2) (EU) 2019/2088.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

- Share of turnover from fossil fuels (oil, coal, oil sands, natural gas) (5%)
- Share of turnover from controversial weapons (0%)
- Share of turnover from weapons and military contracting (5%)
- Share of turnover from nuclear weapons (0%)
- Share of turnover from alcohol (5%)

- Share of turnover from tobacco (5%)
- Share of turnover from pornography (5%)
- Share of turnover from commercial gambling (5%)
- Violations of international norms and conventions such as the UN Global Compact and OECD guidelines for multinational companies
- Investments in countries listed on the UN and EU sanctions list
- Share of green, social, or sustainable bonds
- Amount of dialogues and engagement related to ESG issues.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable as the Fund does not have sustainable investments as a goal.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable as the Fund does not have sustainable investments as a goal.

● ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

The fund considers how negative impacts on sustainability factors are affected in accordance with Article 7 (EU) 2019/2088 (Disclosure Regulation), and the company will report in accordance with Article 11(2) (EU) 2019/2088. More information is available in Captor's statement on principle adverse impacts on sustainable development, <https://captor.se/hallbarhet>

● ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

Despite the fund not having sustainable investments as its goal, all investments undergo screening to ensure they do not violate international norms and conventions, such as the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This includes the principles and rights outlined in the eight fundamental conventions specified in the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and in the international framework for human rights.

Captor utilizes Sustainalytics as an external provider of screening services. The fund reports the portion of its holdings that align with the mentioned norms and conventions. If a company consistently violates international norms and conventions, that holding will be divested. The fund discloses which companies have been divested during the year in its annual reporting.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **Does this financial product consider principal adverse impacts on sustainability factors?**

Yes, \_\_\_\_\_

No

#### **Climate and other environment-related indicators for investments in investee companies**

1. Greenhouse gas emissions (Scope 1-3)
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity-sensitive areas
8. Emissions to water
9. Hazardous waste and radioactive waste ratio

#### **Social indicators for investments in investee companies**

2. Rate of accidents
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

#### **Climate and other environment-related indicators for investments in real estates**

17. Exposure to fossil fuels through real estate assets
18. Exposure to energy-inefficient real estate assets

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.



**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

### **Indicators for investments in sovereigns and supranationals**

16. Investee countries subject to social violations
17. Share of bonds not issued under Union legislation on environmentally sustainable bonds
20. Average human rights performance

### **What investment strategy does this financial product follow?**

Captor Aster Global Credit is a global corporate bond fund. The fund has an interest rate exposure in Swedish kronor and a global credit exposure. In its position-taking, foreign currency risk and interest rate risk in foreign currencies are avoided. This minimizes currency hedging costs and makes the fund suitable for institutional investors with commitments in Swedish kronor.

The fund invests capital in Swedish secured residential bonds in combination with credit derivatives to maintain the global credit exposure, as well as interest rate derivatives for positions in long-term Swedish interest rates. The advantage of credit derivatives is that they provide the fund with good liquidity and diversification. The fund may also periodically invest in corporate bonds or bonds issued or guaranteed by states, municipalities, and supranational organizations.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

- The fund follows Captor's responsible investment policy.
- The fund excludes investments in countries listed on the UN and EU sanctions list.
- The fund adheres to Captor's principles of shareholder engagement.

● ***- The universe is screened to exclude companies with turnover in a number of products and services with identified sustainability risks. Companies that consistently violate international norms and conventions are also excluded. The fund's holdings are then continuously screened by the fund managers and the company's sustainability team. If a company violates the fund's sustainability criteria, that holding will be divested.***

● ***What is the policy to assess good governance practices of the investee companies?***

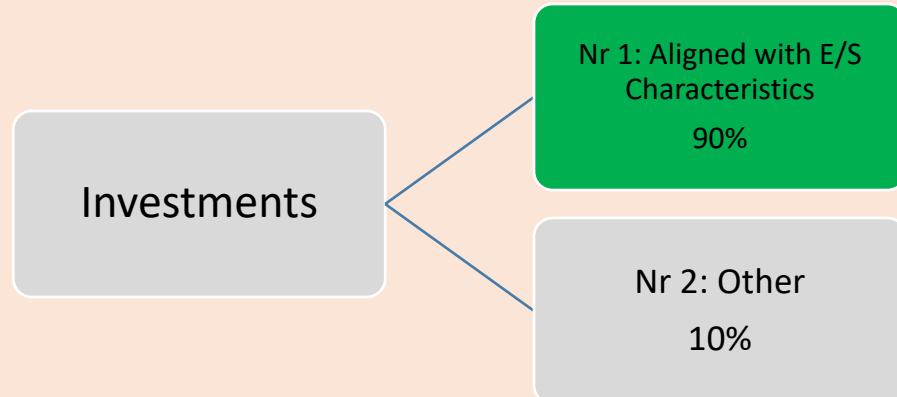
The practice of good governance encompasses sound management structures, employee relationships, personnel compensation, and compliance with tax regulations. Before each investment, a check is conducted to ensure that the investment complies with the practice of good governance. This means that the investment must not systematically violate, for example, ILO conventions.

Captor identifies businesses/countries engaged in activities that may be considered in violation of international conventions or subject to sanctions imposed by the UN Security Council, meaning they do not adhere to the practice of good governance. These companies/countries are excluded from the fund's investment universe. The practice of good governance is not applied to government bonds in accordance with EU regulations.

**Asset allocation**  
describes the share of investments in specific assets.



### What is the asset allocation planned for this financial product?



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

A minimum of 90% of the fund's investments are expected to be aligned with environmental or social characteristics.

● ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

The fund may use derivatives, but not to uphold the fund's sustainability criteria. Captor ensures through an internal process that the use of derivatives is in line with the fund's sustainability criteria. The same criteria are applied when assessing sustainability as in the evaluation of securities' sustainability.



### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund has no commitment to make sustainable investments or investments compatible with the requirements of the EU taxonomy with an environmental objective. Therefore, initially, a minimum level is set at 0%.

● ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU taxonomy<sup>1</sup>?***

Yes

In fossil gas

In nuclear energy

No

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments, including sovereign bonds\*

- Taxonomy-aligned: Fossil gas
- Taxonomy-aligned: Nuclear
- Taxonomy-aligned (No fossil gas & nuclear)
- Non Taxonomy-aligned



2. Taxonomy-alignment of investments, excluding sovereign bonds\*

- Taxonomy-aligned: Fossil gas
- Taxonomy-aligned: Nuclear
- Taxonomy-aligned (No fossil gas & nuclear)
- Non Taxonomy-aligned



*\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable as the fund has no commitment to make sustainable investments or investments compatible with the requirements of the EU taxonomy with an environmental objective.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

 **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable as the fund has no commitment to make sustainable investments or investments compatible with the requirements of the EU taxonomy with an environmental objective.

 **What is the minimum share of socially sustainable investments?**

Not applicable as the fund does not have any commitment to make socially sustainable investments.

 **What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

There is no commitment to make sustainable investments. "Nr 2 Other" includes such liquid assets as are needed for the management of the fund.



Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No index has been selected to determine whether the financial product is aligned with the environmental and/or social characteristics that the fund promotes.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

<https://captor.se/fonder/asterst>

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

**Product name:** Captor Aster Global High-Yield    **Legal entity identifier:** 636700ZS7UIPLCSIGG70

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

● ●  Yes

● ●  No

It will make a minimum of sustainable investments with an environmental objective: \_\_\_%  
 in economic activities that qualify as environmentally sustainable under the EU Taxonomy  
 in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of sustainable investments with a social objective: \_\_\_%

It promotes Environmental/Social (E/S) characteristics and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments  
 with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy  
 with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  
 with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**

### What environmental and/or social characteristics are promoted by this financial product?

The fund promotes environmental or social characteristics by integrating environmental, social, and governance factors into investment decisions.

The fund does not have a minimum proportion for sustainable investments, but will, where possible based on the liquidity and return requirements of the fund, select green, social, or sustainable bonds. By striving to invest in sustainable bonds and adhering to the exclusion criteria applied to the fund, both environmental and social attributes are promoted.

The fund uses the method of exclusion to reduce sustainability risks. A sustainability risk refers to environmental, social, or governance-related events or conditions that, if realized, could have a negative impact on the value of the investment. By excluding various types of companies in the investment decision process, sustainability risks are reduced.

The fund promotes environmental characteristics through the following exclusions:

Fossil Fuels:

- Oil (max 5% of turnover)
- Coal (max 5% of turnover)
- Oil Sands (max 5% of turnover)
- Natural Gas (max 5% of turnover)

The fund promotes social characteristics through the following exclusions:

- Controversial Weapons (0%)
- Weapons and Military Contracting (5%)
- Nuclear Weapons (0%)
- Alcohol (max 5% of turnover)
- Tobacco (max 5% of turnover)
- Pornography (max 5% of turnover)
- Commercial Gambling (operation and business as well as customized equipment and accessories 5%).

Owning bonds does not give the right to vote at the company's general meeting. Nevertheless, Captor strives to influence companies on ESG issues where possible. This is primarily achieved through dialogue and other types of engagement.

Good governance practices include sound management structures, employee relationships, compensation for personnel, and compliance with tax rules. A check is made before each investment to ensure that it complies with good governance practices. This means that the investment should not systematically violate, for example, ILO conventions.

The fund promotes investments in companies that adhere to international norms and conventions such as the UN Global Compact and the OECD guidelines for multinational enterprises.

The fund excludes investments in countries listed on the UN and EU sanctions lists. The fund considers how negative consequences for sustainability factors are affected in accordance with Article 7 (EU) 2019/2088 (Disclosure Regulation), and the company will report in accordance with Article 11(2) (EU) 2019/2088.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

- Share of turnover from fossil fuels (oil, coal, oil sands, natural gas) (5%)
- Share of turnover from controversial weapons (0%)
- Share of turnover from weapons and military contracting (5%)
- Share of turnover from nuclear weapons (0%)
- Share of turnover from alcohol (5%)

- Share of turnover from tobacco (5%)
- Share of turnover from pornography (5%)
- Share of turnover from commercial gambling (5%)
- Violations of international norms and conventions such as the UN Global Compact and OECD guidelines for multinational companies
- Investments in countries listed on the UN and EU sanctions list
- Share of green, social, or sustainable bonds
- Amount of dialogues and engagement related to ESG issues.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable as the Fund does not have sustainable investments as a goal.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable as the Fund does not have sustainable investments as a goal.

● ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

The fund considers how negative impacts on sustainability factors are affected in accordance with Article 7 (EU) 2019/2088 (Disclosure Regulation), and the company will report in accordance with Article 11(2) (EU) 2019/2088. More information is available in Captor's statement on principle adverse impacts on sustainable development, <https://captor.se/hallbarhet>

● ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

Despite the fund not having sustainable investments as its goal, all investments undergo screening to ensure they do not violate international norms and conventions, such as the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This includes the principles and rights outlined in the eight fundamental conventions specified in the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and in the international framework for human rights.

Captor utilizes Sustainalytics as an external provider of screening services. The fund reports the portion of its holdings that align with the mentioned norms and conventions. If a company consistently violates international norms and conventions, that holding will be divested. The fund discloses which companies have been divested during the year in its annual reporting.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **Does this financial product consider principal adverse impacts on sustainability factors?**

Yes, \_\_\_\_\_

No

#### **Climate and other environment-related indicators for investments in investee companies**

1. Greenhouse gas emissions (Scope 1-3)
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity-sensitive areas
8. Emissions to water
9. Hazardous waste and radioactive waste ratio

#### **Social indicators for investments in investee companies**

2. Rate of accidents
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

#### **Climate and other environment-related indicators for investments in real estates**

17. Exposure to fossil fuels through real estate assets
18. Exposure to energy-inefficient real estate assets

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.



**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

### **Indicators for investments in sovereigns and supranationals**

16. Investee countries subject to social violations
17. Share of bonds not issued under Union legislation on environmentally sustainable bonds
20. Average human rights performance

### **What investment strategy does this financial product follow?**

Captor Aster Global Credit is a global corporate bond fund. The fund has an interest rate exposure in Swedish kronor and a global credit exposure. In its position-taking, foreign currency risk and interest rate risk in foreign currencies are avoided. This minimizes currency hedging costs and makes the fund suitable for institutional investors with commitments in Swedish kronor.

The fund invests capital in Swedish secured residential bonds in combination with credit derivatives to maintain the global credit exposure, as well as interest rate derivatives for positions in long-term Swedish interest rates. The advantage of credit derivatives is that they provide the fund with good liquidity and diversification. The fund may also periodically invest in corporate bonds or bonds issued or guaranteed by states, municipalities, and supranational organizations.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

- The fund follows Captor's responsible investment policy.
- The fund excludes investments in countries listed on the UN and EU sanctions list.
- The fund adheres to Captor's principles of shareholder engagement.

● ***- The universe is screened to exclude companies with turnover in a number of products and services with identified sustainability risks. Companies that consistently violate international norms and conventions are also excluded. The fund's holdings are then continuously screened by the fund managers and the company's sustainability team. If a company violates the fund's sustainability criteria, that holding will be divested.***

● ***What is the policy to assess good governance practices of the investee companies?***

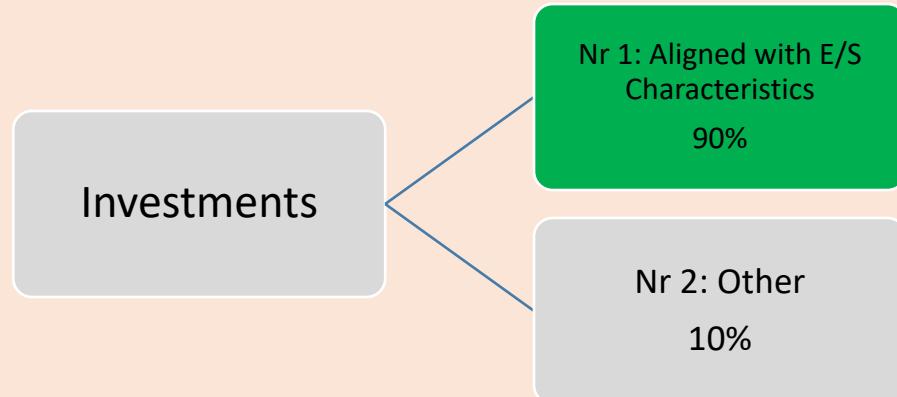
The practice of good governance encompasses sound management structures, employee relationships, personnel compensation, and compliance with tax regulations. Before each investment, a check is conducted to ensure that the investment complies with the practice of good governance. This means that the investment must not systematically violate, for example, ILO conventions.

Captor identifies businesses/countries engaged in activities that may be considered in violation of international conventions or subject to sanctions imposed by the UN Security Council, meaning they do not adhere to the practice of good governance. These companies/countries are excluded from the fund's investment universe. The practice of good governance is not applied to government bonds in accordance with EU regulations.

**Asset allocation**  
describes the share of investments in specific assets.



### What is the asset allocation planned for this financial product?



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

A minimum of 90% of the fund's investments are expected to be aligned with environmental or social characteristics.

● ***How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?***

The fund may use derivatives, but not to uphold the fund's sustainability criteria. Captor ensures through an internal process that the use of derivatives is in line with the fund's sustainability criteria. The same criteria are applied when assessing sustainability as in the evaluation of securities' sustainability.



### To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The fund has no commitment to make sustainable investments or investments compatible with the requirements of the EU taxonomy with an environmental objective. Therefore, initially, a minimum level is set at 0%.

● ***Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU taxonomy<sup>1</sup>?***

Yes

In fossil gas

In nuclear energy

No

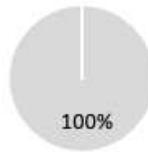
<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

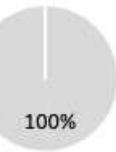
1. Taxonomy-alignment of investments, including sovereign bonds\*

- Taxonomy-aligned: Fossil gas
- Taxonomy-aligned: Nuclear
- Taxonomy-aligned (No fossil gas & nuclear)
- Non Taxonomy-aligned



2. Taxonomy-alignment of investments, excluding sovereign bonds\*

- Taxonomy-aligned: Fossil gas
- Taxonomy-aligned: Nuclear
- Taxonomy-aligned (No fossil gas & nuclear)
- Non Taxonomy-aligned



*\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable as the fund has no commitment to make sustainable investments or investments compatible with the requirements of the EU taxonomy with an environmental objective.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

 **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable as the fund has no commitment to make sustainable investments or investments compatible with the requirements of the EU taxonomy with an environmental objective.

 **What is the minimum share of socially sustainable investments?**

Not applicable as the fund does not have any commitment to make socially sustainable investments.

 **What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

There is no commitment to make sustainable investments. "Nr 2 Other" includes such liquid assets as are needed for the management of the fund.



Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No index has been selected to determine whether the financial product is aligned with the environmental and/or social characteristics that the fund promotes.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

<https://captor.se/fonder/asterhy>

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Captor Iris Bond    **Legal entity identifier:** 549300S25WHDX44U0U14

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

● ●  Yes

● ●  No

<p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> ___%</p> <p><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p>	<p><input type="checkbox"/> It promotes <b>Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___% of sustainable investments</p> <p><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</p> <p><input type="checkbox"/> with a social objective</p>
<p><input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> ___%</p>	<p><input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b></p>



### What environmental and/or social characteristics are promoted by this financial product?

The fund promotes environmental or social characteristics by integrating environmental, social, and governance factors into investment decisions.

The fund does not have a minimum share of sustainable investments but will, where deemed possible based on the liquidity and return requirements applicable to the fund, choose to include green, social, or sustainable bonds. By striving to invest in sustainable bonds, and considering the exclusion criteria applied to the fund, both environmental and social attributes are promoted.

The fund uses an exclusion method to reduce sustainability risks in the fund. Sustainability risk refers to environmental, social, or governance-related events or conditions that, if realized, could have a negative impact on the investment's value. By excluding various types of companies in the investment decision process, sustainability risks are reduced.

The fund promotes environmental characteristics through the following exclusions:

*Fossil Fuels*

- Oil (up to 5% of turnover)
- Coal (up to 5% of turnover)
- Oil Sands (up to 5% of turnover)
- Natural Gas (up to 5% of turnover)

The fund promotes social characteristics through the following exclusions:

- Controversial weapons (0%)
- Nuclear weapons (0%)
- Weapons and military contracting (up to 5% of turnover)
- Alcohol (up to 5% of turnover)
- Tobacco (up to 5% of turnover)
- Pornography (up to 5% of turnover)
- Commercial gambling (operation and business, as well as customized equipment and accessories, up to 5% of turnover)

Owning bonds does not give the right to vote at the company's general meeting. However, Captor strives to influence companies on ESG issues where there are opportunities to do so. This is primarily achieved through dialogue and other forms of engagement.

Good governance practices encompass sound management structures, employee relations, compensation, and compliance with tax regulations. Prior to each investment, a check is conducted to ensure that the investment aligns with good governance practices. This means that the investment should not systematically violate, for instance, ILO conventions.

The fund promotes investments in companies that adhere to international norms and conventions such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises.

The fund excludes investments in countries listed on the UN's and EU's sanctions list.

The fund takes into account how negative sustainability consequences are affected in accordance with Article 7 (EU) 2019/2088 (Disclosure Regulation), and the company will report in accordance with Article 11(2) (EU) 2019/2088.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

- Percentage of turnover from fossil fuels (oil, coal, oil sands, natural gas) (5%)
- Percentage of turnover from controversial weapons (0%)
- Percentage of turnover from weapons and military contracting (5%)
- Percentage of turnover from nuclear weapons (0%)
- Percentage of turnover from alcohol (5%)
- Percentage of turnover from tobacco (5%)
- Percentage of turnover from pornography (5%)
- Percentage of turnover from commercial gambling (5%)

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

- Violations of international norms and conventions such as the UN Global Compact and the OECD Guidelines for Multinational Enterprises
- Investments in countries listed on the UN's and EU's sanctions list
- Percentage of green, social, or sustainable bonds
- Percentage of dialogues and engagements related to ESG issues

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable as the fund does not have any sustainable investment objective.

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable as the fund does not have any sustainable investment objective.

— ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

The fund considers how adverse impacts on sustainability factors are affected in accordance with Article 7 (EU) 2019/2088 (Disclosure Regulation), and the company will report in accordance with Article 11(2) (EU) 2019/2099. More information can be found in Captor's statement on adverse impacts on sustainable development, available at <https://captor.se/hallbarhet/> .

— ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

All investments undergo a screening process to ensure they do not violate international norms and conventions, such as the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This includes the principles and rights outlined in the eight core conventions of the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and the international framework for human rights.

Captor use Sustainalytics as an external provider of screening services. The fund reports the portion of the fund's holdings that align with the mentioned norms and conventions. If a company consistently violates international norms and

conventions, that holding will be divested. The fund reports the companies that have been divested during the year in its annual reporting.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **Does this financial product consider principal adverse impacts on sustainability factors?**

Yes, \_\_\_\_\_

#### **Climate and other environment-related indicators for investments in investee companies**

1. Greenhouse gas emissions (Scope 1-3)
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity-sensitive areas
8. Emissions to water
9. Hazardous waste and radioactive waste ratio

#### **Social indicators for investments in investee companies**

2. Rate of accidents
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

#### **Climate and other environment-related indicators for investments in real estates**

17. Exposure to fossil fuels through real estate assets
18. Exposure to energy-inefficient real estate assets

## Indicators for investments in sovereigns and supranationals

16. Investee countries subject to social violations
17. Share of bonds not issued under Union legislation on environmentally sustainable bonds
20. Average human rights performance

No

## What investment strategy does this financial product follow?



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

The fund invests in covered bonds and bonds issued or guaranteed by governments, municipalities, or supranational organizations. These bonds should have a high credit rating, and the fund's average interest rate risk is low. The fund does not have a minimum share of sustainable investments but will, where deemed possible based on the liquidity and return requirements applicable to the fund, choose to include green, social, or sustainable bonds. By striving to invest in sustainable bonds, and considering the exclusion criteria applied to the fund, both environmental and social attributes are promoted.

### ● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

- The fund adheres to Captor's responsible investment policy.
- The fund excludes investments in countries listed on the UN and EU sanctions lists.
- The fund follows Captor's principles for shareholder engagement.
- The fund invests capital in secured housing bonds and bonds issued or guaranteed by states, municipalities, and supranational organizations. The universe is screened to exclude companies with revenue from products and services with identified sustainability risks. Companies that systematically violate international norms and conventions are also excluded. The fund's holdings are continuously screened by the fund manager and the company's sustainability responsible. If a company violates the fund's sustainability criteria, that holding will be divested.

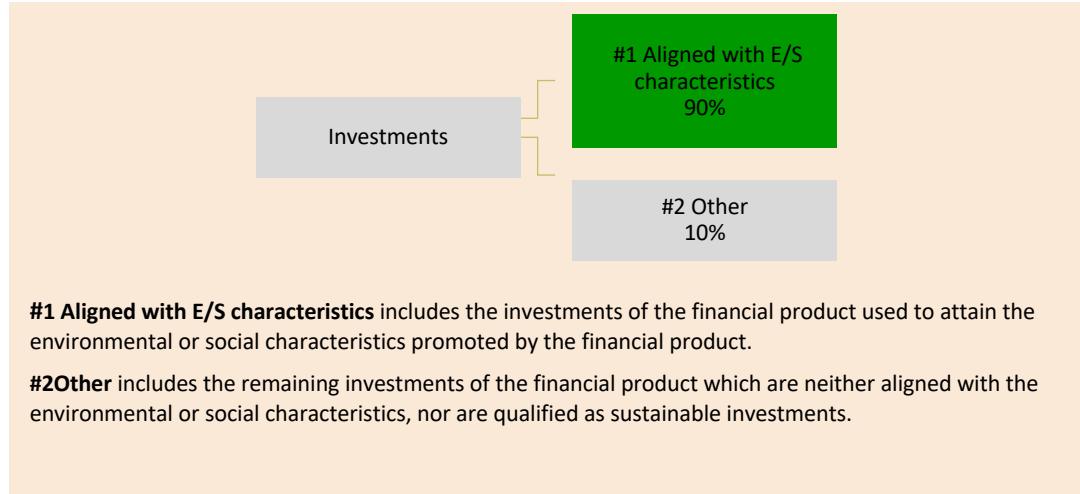
### ● ***What is the policy to assess good governance practices of the investee companies?***

Good governance practices include sound structures, employee relations, remuneration of staff and tax compliance. Before each investment, a check is conducted to ensure that the investment adheres to good governance practices. This means that the investment should not systematically violate, for instance, ILO (International Labour Organization) conventions.

## What is the asset allocation planned for this financial product?



At least 90% of the fund's investments are expected to be aligned with environmental or social attributes



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The fund may use derivatives, but not to maintain the fund's sustainability criteria. Captor ensures through an internal process that the use of derivatives aligns with the fund's sustainability criteria. The same criteria are applied when assessing sustainability as when evaluating the sustainability of securities.



### **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The fund has no commitment to make sustainable investments or investments with environmental goals compatible with the requirements of the EU Taxonomy. Therefore, an initial minimum level is set at 0%.

### ● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU taxonomy<sup>1</sup>?**

Yes

In fossil gas

In nuclear energy

No

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

**Enabling activities**  
directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



*\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

#### ● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable as the fund does not have any commitment to make sustainable investments or investments with environmental goals compatible with the requirements of the EU Taxonomy.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

#### **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable as the fund does not have any commitment to make sustainable investments or investments with environmental goals compatible with the requirements of the EU Taxonomy.

#### **What is the minimum share of socially sustainable investments?**

Not applicable as the fund does not have any commitment to make socially sustainable investments.

#### **What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?**

The fund has no commitment to make sustainable investments. In "No. 2 Other," there are liquid assets needed for the management of the fund.



**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No index has been selected for the purpose of determining whether the financial product is aligned with the environmental and/or social attributes that the fund promotes.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

More product-specific information can be found on the website:

<https://captor.se/fonder/iris>

**Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Captor Global Fixed Income    **Legal entity identifier:**

## Environmental and/or social characteristics

### Does this financial product have a sustainable investment objective?

● ●  Yes

● ●  No

It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_%  
 in economic activities that qualify as environmentally sustainable under the EU Taxonomy  
 in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective:** \_\_\_%

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_% of sustainable investments  
 with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy  
 with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy  
 with a social objective

It **promotes E/S characteristics, but will not make any sustainable investments**



### What environmental and/or social characteristics are promoted by this financial product?

The fund promotes environmental or social characteristics by integrating environmental, social, and governance factors into investment decisions.

The fund does not have a minimum proportion for sustainable investments, but will, where possible based on the liquidity and return requirements of the fund, select green, social, or sustainable bonds. By striving to invest in sustainable bonds and adhering to the exclusion criteria applied to the fund, both environmental and social attributes are promoted.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

The fund uses the method of exclusion to reduce sustainability risks. A sustainability risk refers to environmental, social, or governance-related events or conditions that, if realized, could have a negative impact on the value of the investment. By excluding various types of companies in the investment decision process, sustainability risks are reduced.

The fund promotes environmental characteristics through the following exclusions:

Fossil Fuels:

- Oil (max 5% of turnover)
- Coal (max 5% of turnover)
- Oil Sands (max 5% of turnover)
- Natural Gas (max 5% of turnover)

The fund promotes social characteristics through the following exclusions:

- Controversial Weapons (0%)
- Weapons and Military Contracting (5%)
- Nuclear Weapons (0%)
- Alcohol (max 5% of turnover)
- Tobacco (max 5% of turnover)
- Pornography (max 5% of turnover)
- Commercial Gambling (operation and business as well as customized equipment and accessories 5%).

Owning bonds does not give the right to vote at the company's general meeting. Nevertheless, Captor strives to influence companies on ESG issues where possible. This is primarily achieved through dialogue and other types of engagement.

Good governance practices include sound management structures, employee relationships, compensation for personnel, and compliance with tax rules. A check is made before each investment to ensure that it complies with good governance practices. This means that the investment should not systematically violate, for example, ILO conventions.

The fund promotes investments in companies that adhere to international norms and conventions such as the UN Global Compact and the OECD guidelines for multinational enterprises.

The fund excludes investments in countries listed on the UN and EU sanctions lists. The fund considers how negative consequences for sustainability factors are affected in accordance with Article 7 (EU) 2019/2088 (Disclosure Regulation), and the company will report in accordance with Article 11(2) (EU) 2019/2088.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

- Share of turnover from fossil fuels (oil, coal, oil sands, natural gas) (5%)
- Share of turnover from controversial weapons (0%)
- Share of turnover from weapons and military contracting (5%)
- Share of turnover from nuclear weapons (0%)
- Share of turnover from alcohol (5%)

- Share of turnover from tobacco (5%)
- Share of turnover from pornography (5%)
- Share of turnover from commercial gambling (5%)
- Violations of international norms and conventions such as the UN Global Compact and OECD guidelines for multinational companies
- Investments in countries listed on the UN and EU sanctions list
- Share of green, social, or sustainable bonds
- Amount of dialogues and engagement related to ESG issues.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable as the Fund does not have sustainable investments as a goal.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

Not applicable as the Fund does not have sustainable investments as a goal.

● ***How have the indicators for adverse impacts on sustainability factors been taken into account?***

The fund considers how negative impacts on sustainability factors are affected in accordance with Article 7 (EU) 2019/2088 (Disclosure Regulation), and the company will report in accordance with Article 11(2) (EU) 2019/2088. More information is available in Captor's statement on principle adverse impacts on sustainable development, <https://captor.se/hallbarhet>

● ***How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:***

Despite the fund not having sustainable investments as its goal, all investments undergo screening to ensure they do not violate international norms and conventions, such as the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. This includes the principles and rights outlined in the eight fundamental conventions specified in the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and in the international framework for human rights.

Captor utilizes Sustainalytics as an external provider of screening services. The fund reports the portion of its holdings that align with the mentioned norms and conventions. If a company consistently violates international norms and conventions, that holding will be divested. The fund discloses which companies have been divested during the year in its annual reporting.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### **Does this financial product consider principal adverse impacts on sustainability factors?**

Yes, \_\_\_\_\_

No

#### **Climate and other environment-related indicators for investments in investee companies**

1. Greenhouse gas emissions (Scope 1-3)
2. Carbon footprint
3. GHG intensity of investee companies
4. Exposure to companies active in the fossil fuel sector
5. Share of non-renewable energy consumption and production
6. Energy consumption intensity per high impact climate sector
7. Activities negatively affecting biodiversity-sensitive areas
8. Emissions to water
9. Hazardous waste and radioactive waste ratio

#### **Social indicators for investments in investee companies**

2. Rate of accidents
10. Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
11. Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises
12. Unadjusted gender pay gap
13. Board gender diversity
14. Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

#### **Climate and other environment-related indicators for investments in real estates**

17. Exposure to fossil fuels through real estate assets
18. Exposure to energy-inefficient real estate assets

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.



**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

### **Indicators for investments in sovereigns and supranationals**

16. Investee countries subject to social violations
17. Share of bonds not issued under Union legislation on environmentally sustainable bonds
20. Average human rights performance

### **What investment strategy does this financial product follow?**

Captor Global Fixed Income is a global corporate bond fund. The fund has an interest rate exposure in Swedish kronor and a global credit exposure. In its position-taking, foreign currency risk and interest rate risk in foreign currencies are avoided. This minimizes currency hedging costs and makes the fund suitable for institutional investors with commitments in Swedish kronor.

The fund invests capital in Swedish secured residential bonds in combination with credit derivatives to maintain the global credit exposure, as well as interest rate derivatives for positions in long-term Swedish interest rates. The advantage of credit derivatives is that they provide the fund with good liquidity and diversification. The fund may also periodically invest in corporate bonds or bonds issued or guaranteed by states, municipalities, and supranational organizations.

● ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

- The fund follows Captor's responsible investment policy.
- The fund excludes investments in countries listed on the UN and EU sanctions list.
- The fund adheres to Captor's principles of shareholder engagement.

● ***- The universe is screened to exclude companies with turnover in a number of products and services with identified sustainability risks. Companies that consistently violate international norms and conventions are also excluded. The fund's holdings are then continuously screened by the fund managers and the company's sustainability team. If a company violates the fund's sustainability criteria, that holding will be divested.***

● ***What is the policy to assess good governance practices of the investee companies?***

The practice of good governance encompasses sound management structures, employee relationships, personnel compensation, and compliance with tax regulations. Before each investment, a check is conducted to ensure that the investment complies with the practice of good governance. This means that the investment must not systematically violate, for example, ILO conventions.

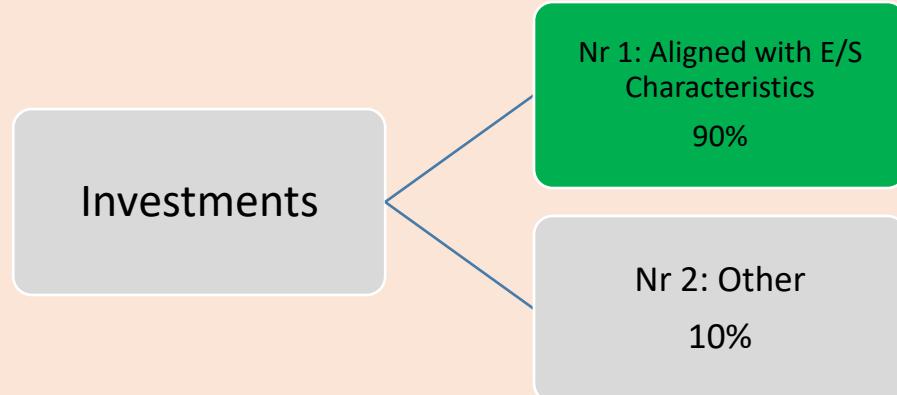
Captor identifies businesses/countries engaged in activities that may be considered in violation of international conventions or subject to sanctions imposed by the UN Security Council, meaning they do not adhere to the practice of good governance. These companies/countries are excluded from the fund's investment universe. The practice of good governance is not applied to government bonds in accordance with EU regulations.

**Asset allocation**  
describes the share of investments in specific assets.



Taxonomy-aligned activities are expressed as a share of:  
- **turnover** reflecting the share of revenue from green activities of investee companies  
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.  
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

### What is the asset allocation planned for this financial product?



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

A minimum of 90% of the fund's investments are expected to be aligned with environmental or social characteristics.

#### ● **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**

The fund may use derivatives, but not to uphold the fund's sustainability criteria. Captor ensures through an internal process that the use of derivatives is in line with the fund's sustainability criteria. The same criteria are applied when assessing sustainability as in the evaluation of securities' sustainability.



#### **To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

The fund has no commitment to make sustainable investments or investments compatible with the requirements of the EU taxonomy with an environmental objective. Therefore, initially, a minimum level is set at 0%.

#### ● **Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU taxonomy<sup>1</sup>?**

Yes

In fossil gas

In nuclear energy

No

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



*\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

#### ● **What is the minimum share of investments in transitional and enabling activities?**

Not applicable as the fund has no commitment to make sustainable investments or investments compatible with the requirements of the EU taxonomy with an environmental objective.

 are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

#### **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

Not applicable as the fund has no commitment to make sustainable investments or investments compatible with the requirements of the EU taxonomy with an environmental objective.

#### **What is the minimum share of socially sustainable investments?**

Not applicable as the fund does not have any commitment to make socially sustainable investments.

#### **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

There is no commitment to make sustainable investments. "Nr 2 Other" includes such liquid assets as are needed for the management of the fund.



Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?**

No index has been selected to determine whether the financial product is aligned with the environmental and/or social characteristics that the fund promotes.



**Where can I find more product specific information online?**

**More product-specific information can be found on the website:**

<https://captor.se/fonder/globalfixed>